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Abstract Proceedings of the Mysore Legislative Council.

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ABSTRACT PROCEEDINGS OF THE MYSORE LEGISLATIVE COUNCIL.

The Council met in the Public Offices Buildings on Thursday the 25th March 1920 at 12 noon.

PRESENT.

RAJASEVADHURINA SIRDAR M. KANTARAJ URS, B.A., C.S.I., DEWAN (Presiding).

Ex-Officio Members.

1. A. R. BANERJI, ESQ., M.A., I.C.S., C.I.E., First Member of Council.
2. P. RAGHAVENDRA RAO, ESQ., B.A., B.L., Second Member of Council.
3. MIR HAMZA HUSEIN, ESQ., B.A., B.L., Third Member of Council.

Additional Members.

Officials.

1. C. S. BALASUNDARAM IYER, ESQ., B.A.
2. S. CADAMBI, ESQ., B.A., L.C.E.
3. K. CHANDY, ESQ., B.A.
4. C. R. REDDY, ESQ., M.A.
5. K. SHANKARANARAYANA RAO, ESQ., M.A., B.L.
6. M. N. KRISHNA RAO, ESQ., B.A.
7. P. G. D'SOUZA, ESQ., B.A., B.L.
8. RAJAKARYA PRAVINA RAO BAHADUR T. V. ARMUGAM MUDALIAR, ESQ., M.B., C.M.
9. M. G. RAMA RAO, ESQ., B.A.
10. M. A. NARAYANA IYENGAR, ESQ., B.A., B.L.
11. D. G. DANI, ESQ., B.Sc., F.C.H., A.M.I.C.E.
12. K. MATTHAN, ESQ., B.A.

Non-officials.

1. B. N. VIJAYADEVA, ESQ., M.A.
2. MD. ABBAS KHAN, ESQ.
3. M. SUBBIAH, ESQ., B.A.
4. B. V. RAMASWAMI CHETTY, ESQ., B.A.
5. D. VENKATESAIYA, ESQ., B.A., B.L.
6. S. A. JAVARAIYA, ESQ.
7. H. VENKATARAMAIYA, ESQ., B.A., B.L.
8. H. KRISHNA RAO, ESQ.
9. H. G. BASAVAPPA, ESQ.
10. N. S. NANJUNDIAH, ESQ.
11. ANANTHIAH SETTY, ESQ.
12. RAO BAHADUR M. C. RANGA IYENGAR, B.A.,
13. RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.
14. RAJAKARYAPRASAKTHA RAO BAHADUR M. SHAMA RAO, M.A.
15. RAO SAHEB H. CHENNAIYA.
16. M. RAMACHANDRA RAO, ESQ., B.A., B.L.
17. B. ABDUR RAHMON, ESQ., B.A.

P. MAHADEVAYYA, ESQ., B.A., B.L. (Secretary).

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Dewan.—GENTLEMEN, it gives me great pleasure to welcome you to this, the first meeting of the enlarged and newly constituted Legislative Council. This Council is, as you are all aware, the result of His Highness the Maharaja's desire to associate more largely with the *ex-officio* legislative advisers of his Government, the elected representatives of his subjects. I consider it no small honour to have been connected with the inauguration of a scheme of reform which, though on a small scale, is fraught with great possibilities as regards the political education of His Highness' subjects.

I should like to avail myself of this occasion to welcome, both on your behalf as well as my own, Mr. Banerji, the First Member of Council, who during the last four years of service in the State has, by his strenuous and sustained efforts towards the improvement of public administration, won for himself the high esteem of the people of Mysore. His recent deputation to England has, doubtless, helped him to see for himself how that great country is trying to reconstruct itself after the terrible times it has passed through. I am sure the knowledge and experience he must have gained during the short stay in that country will be of incalculable benefit to the State.

It is impossible for me at this moment to forget the familiar face of one whose genial presence in this Council to-day I miss, as much as you all do. It is hard to believe that it is after all not many years since the late Mr. Basavaiya came to be known in the public life of Mysore. Yet within this short space of time, his fearless advocacy of the cause of the masses, his industry, integrity, sincerity of purpose and ardent public zeal easily won for him a place in the foremost rank among the trusted leaders of the people. There is no denying the fact that he created a new force which commanded respect and had to be reckoned with in the public life of Mysore. And, I might say, that his sudden removal from our midst leaves a gap in the public life of Mysore which it is not easy to fill up. Though he held strong views of his own in all matters concerning the welfare and advancement of the backward classes, he was yet not intolerant of reasonable opposition and was thoroughly honourable in his dealings even with those who could not see eye to eye with him.

I should also not fail to avail myself of this opportunity to pay my meed of recognition to the former members of this Council to whose good will and co-operation no small measure of the progress we have achieved so far in this Council is really due. As it might be considered invidious to mention names, I refrain from doing so.

I have already stated, gentlemen, that this Council, as reconstituted, marks the beginning of a new epoch in its history and it may not be out of place to review, however briefly, its past history.

The Legislative Council was created by His Highness the Maharaja in the year 1907. I had the privilege to be a member of that first Council, and it is no small pleasure to me to see two of my worthy contemporaries present here to-day, I mean, Rajasabhabhushana Dewan Bhadur K. P. Puttanna Chetty, the *doyen* of this Council, and Rao Bahadur M. C. Ranga Iyengar. The Council was then no more than a Legislative Committeee of Government, its constitution being largely similar to the Council created by the Government of India Act of 1861. Its functions were entirely confined to the legislative proposals that came before it. The number of additional members was 10, of whom 5 were non-officials, namely, 3 retired officers and 2 members of the Bar, all nominated by the Government. Within the next following two years, the privilege of returning two members to the Council was accorded to the Representative Assembly, but it was not till 1914 that the functions of the Council were definitely enlarged so as to include not only the power of dealing with legislation but also powers of interpellation and of discussing the annual budget. I do not propose to take you in detail over the measures introduced subsequently, as they are all within your recent knowledge. I must, however, state that this rapid advance was possible because the leaders of the people, your predecesors in this Council, showed by their moderation, breadth of outlook, sense of responsibility, unselfish devotion to public cause and their painstaking industry, that they fully justified the confidence that His Highness the Maharaja was pleased to place in them. We have now arrived at a stage when no laws affecting the general public can be brought on the statute book except with the assistance of the elected leaders of the people, when the entire administrative machinery is subject to their scrutiny in the Finance Committee and when matters affecting public interest can prominently be brought to the notice of Government by means of Resolutions in this Council. I must, however, ask you to realize the magnitude of the task that lies before you in educating your electors. The figures of the recent election for the Legislative

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Council, which were published in the Gazette some time ago, tell their own tale. Of the total number of electors on the registers, namely 21,953, only 5,694 or about 26 per cent., took part in the elections in spite of the fact that the pollings took place in all the taluk headquarters of the districts to suit their convenience. It is thus abundantly clear that nearly three-fourths of the electors, men, as we know, of shrewd common sense and of substance, failed to appreciate and exercise the rights so graciously conferred on them by His Highness the Maharaja. I sincerely hope that you will see to it that they give a more satisfactory account of themselves when the next election comes off.

I should like to say a word about the food situation in the State at present. The yield of the last harvest is reported to have been very good and it is believed that there are large stocks of the staple food grains in the country but unfortunately they are held up either by the raiyat or the merchant in the hope of realizing higher prices. Consequently the prices of food grains still continue to rule high. Government are considering what steps should be taken to prevent profiteering. The policy of fixing maximum and minimum prices has been tried and given up, as it was found unworkable. Increasing production seems to me to be the only possible solution for these high prices and until we tackle this important question more seriously, the present unsatisfactory state of things must, I fear, continue. It has been found necessary to continue food control until such time as things go back to their normal condition. To afford some measure of relief, however, we have decided to continue, with the kind co-operation of the Government of India, our imports of rice from Burma, from where we are importing between 7 and 8 lakhs of rupees worth of rice every month. The Food Controller was recently deputed to Rangoon, where he was able to buy rice from Millers at very satisfactory prices, permitting of its sale at about Rs. 20 per palla in Bangalore. And it is just possible that the import of foreign rice by Government coupled with the necessity on the part of the raiyat to realize cash to make payments of revenue, may bring down somewhat the price of local food grains; but this easing of the situation will obviously be of a temporary nature.

I should like to commend for your serious attention and consideration a measure of considerable importance on to-day's agenda, namely, the levy of income-tax. In the discussion of this Bill at this time last year in this Council, although it seemed to have been admitted that the equities of taxation demanded the levy of this tax, the necessity to resort to it for the requirements of Government might not have been so apparently urgent. But the necessity of increasing our resources in all possible ways has become so over-whelmingly great now, as will be made clear to you presently by the Financial Secretary, that even with the levy of income-tax and of the education cess, the financial position of Government to-day compares rather unfavourably with what it was this time last year. Our needs for more funds are increasing daily. To give just an instance, the rise in prices of the necessaries of life calls for an immediate revision of the salaries of low-paid menials and subordinate officials, which cannot be put off much longer. Similarly, if we are to push on the measures advocated in the Educational Memorandum, we cannot but think of levying the education cess, ear-marking the amount realized under this head for educational purposes only. The time now is not one for arguments of an academical interest on the equities or inequities of the income-tax or the education cess but one that urgently calls for a willing and ready acceptance of the burden in the cause of the good administration and progress of the State in which every subject of His Highness is interested. You will not misunderstand me when I say that the attitude of this Council in connection with these measures will be a real test of the capacity of our people to realize their sense of responsible association in public administration.

You will be glad to hear that since we last met in this Council, our gallant Imperial Service Troops and Transport Corps have returned home with great laurels. The citizens of Bangalore have honoured themselves in honouring our war-worn soldiers whose excellent deeds, their British Commanders have repeatedly acknowledged in unstinted terms of praise. They had the honour of being inspected by His Highness the Maharaja at a special parade held for the purpose on the day after their arrival here.

You will also be glad to hear that the Educational Memorandum is under the active consideration of Government and it is hoped that orders on the whole scheme of educational policy which has been before the public for the past nine months, will be passed without very much further delay. But as I reminded you before, it is mainly a question of funds and it lies entirely in your hands either to make it or mar it.

With your permission I wish to conclude my remarks by briefly indicating what I

conceive should be the spirit in which the work before us has to be approached. The literary supplement of the "London Times" opened the New year with an article headed "An Aristocracy of Service" which attracted at the time some notice in the Indian papers as being not only relevant to the conditions in England but fully applicable to the present situation in India as well. "Everywhere in the world there is a gathering reaction of human wills against material hindrances, against what are conceived as unjust prerogatives of the superior classes resulting in the advent of parties, whose sole principle of cohesion is a negative and therefore impermanent one, namely, the neglect of their interests which a more enlightened partriotism whould have striven hard to promote." The writer points out that such parties cannot do much good, as political aims cannot be served by division into non-political factions.

I think the moral of the situation is plain. Forms of democratic reorganization are being created in India and have been copied here as elsewhere; but before the forms can really achieve their ends they must be infused with the spirit which is appropriate to them. The special need of the day is, as the writer of the article observes, "leaders for the people, leaders who will understand that acceptable leadership implies, and now more than ever implies, willingness to serve." If we are to be led aright in the future, it is necessary that the leaders should not be different from those who lead us now. We must have men of rank, men of culture, men of the world to captain us, but only their leadership must be differently conceived and applied. To sum up, the writer says "for our country's sake, the privileged must put their privileges aside, the wealthy must become poor in spirit and that they may lead the people, must become as brothers among them."

RAO SAHEB H. CHENNAIYA.—SIR, I rise to thank you for the kind words with which you have welcomed the new members of the Council and, in so doing, I may be permitted to say a few words here.

You have been pleased to refer to the great loss sustained by the Council by the sudden death of one of its foremost members, Mr. M. Basavaiya. I am sure that all the members of this Council are in entire accordance with the generous sentiments expressed by you. The people have lost a strong advocate of their rights and the Government a valuable critic. His sympathy with the masses and his independent character as much as his intellectual powers won for him a commanding position in the public life of the province. His speeches on the budget and other subjects in the Council displayed a remarkable grasp of principles and mastery over details. It is but just and right that the Council should express its appreciation of the services which Mr. Basavaiya rendered to the State.

With regard to the newly constituted Council which has met for the first time to-day, I may say that it is in every way unique, and marks a new era in the development of the public life of this important State. I cannot refrain from expressing our thanks to the Government for introducing the mode of direct election to the Legislative Council. It is an act for which the people will ever be grateful. While it is the only means of returning men to the Council in whom the people have full confidence, it gives them a training in the political working of representative institutions. We are equally thankful for the enlargement of the Council and the granting of the right to move resolutions to the members. The increased association of the people in the conduct of public affairs and other beneficient measures calculated for their progress introduced in recent years for which the people cannot be sufficiently thankful to His Highness and His Government, have caused a new awakening of the people. This has given them a sense of their rights and duties and has been responsible for the growth of new ideas in the State. The results of the recent elections from the Representative Assembly and from the districts indicate in no uncertain degree the spirit that is abroad. The masses who were hitherto indifferent and inarticulate are now clamouring for a recognition of their rights. They feel that their interests have hitherto not been looked after to the extent they deserved, for they could not always make themselves heard in the absence of their true representatives in the various Councils of the State. The whole world is throbbing with a new impulse and we see the same upheaval even in Mysore. I trust that the Government will correctly gauge the significance of the change that is taking place in the public opinion of the State and will do its best to satisfy the rousing and legitimate aspirations of the people. It is not desirable to give rise to aspirations of a people without providing at the same time means for their fulfilment. What is now needed is a large and comprehensive scheme for the moral and material well-being of the people and a determined effort to carry it out with faith and enthusiasm.

Sir, the people of the State are anxiously expectant of a new period of beneficient measures under your regime, and I hope that nothing will be done which will bring disappointment to them. If the Government shapes its policy according to the declared wishes of the people having regard to the general good of the State and carry it out with sympathy and courage, then, I need hardly say, the prosperity and contentment of the people will be assured. In all such measures the Government, we assure you, Sir, will have the hearty and ungrudging co-operation and support of the members of the Council.

DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.,—SIR, at the request of the non-official members of this Council I have much pleasure in conveying to you their grateful thanks for the cordial welcome which you have so kindly extended to them. The pleasure is enhanced by the circumstance that you now occupy the presidential chair. You, Sir, have been associated with this Council from its very inception and have had not a little to do with developing its usefulness and enlarging its scope and functions. We hope that under the paternal, fostering care of H. H. the Maharaja and your patriotic and wise guidance, the Council will attain a higher status somewhat on the lines of the Reforms introduced into British India, but adapted to the local conditions of an autonomous Indian State.

We have now three popular Assemblies working in the State—the Representative Assembly which may be termed the mother of all other Assemblies, the Economic Development Board and its Committees and the Legislative Council. These form the backbone and the popular side of the administration and give the people as large a share in the Government of the State as is possible under present conditions. The Legislative Council has been in existence for 13 years and has a splendid record of work to its credit. The gradual enlargement of its sphere of activity and the grant of a non-official majority in the Council will, I feel sure, be widely appreciated by the public and their representatives in this Council.

Sir, on behalf of the non-official members of this Council, I join you in cordially welcoming our genial and kind-hearted First Member of Council, Mr. A. R. Banerji, who came to us four years ago with a high reputation and has sustained it by his vigorous and whole-hearted efforts to serve the State, which has earned him our esteem and gratitude. As is inevitable on such an occasion, we miss many familiar faces. Some of them were stalwarts, whose opinions were heard with respect and attention, both in this Council and outside. The names of some who worked assiduously in Council and on Committees will readily occur. But it is sad to think that the cruel hand of death has removed one who came at the last elections at the head of the poll and would have adorned the new Council. I refer to the late Mr. Basavaiya. He was a man of courage, independence and unflinching determination, and it is a loss to this Council that he should have been cut off in the full vigour of his manhood.

You have been good enough to trace the history of the development of this Council which under His Highness' sympathetic guidance and watchful care has been led from stage to stage to higher planes of activity until to-day with a non-official majority, it stands as a conspicuous example of our beloved Maharaja's solicitude to govern the State in accordance with the genuine wishes of his subjects. I feel sure that in future years a larger number of electors will avail themselves of the privilege of direct voting which was a new privilege granted for the first time this year. A certain amount of propaganda work seems to be necessary to make the electors realize the importance of the privilege. As regards the income-tax Bill he would be a bold man who could say what the bulk of non-official opinion in this Council would be towards it, but I venture to prophesy that public opinion reflected by the good sense of this Council will assert itself, and that the Bill will soon become law after it has passed through the Select Committee. The question of an education cess is one on which it is difficult to forecast the issue, it being an additional burden on the land; but our deep faith in education and the necessity for its spread among the people will be a guarantee that it will not be lightly thrown out.

In conclusion, Sir, I am to request you to convey our loyal and dutiful obeisance to our gracious Sovereign for the generous measures which His Highness has taken to enlarge this Council and to increase its usefulness by giving it a substantial voice in the administration of the State. We hope that you may long continue to preside over our deliberations and guide us towards fulfilling the noble objects for which this Council was formed.

MR. HOSAKOPPA KRISHNA RAO.—SIR, we thank you for your kind expressions of cordial welcome to us to this first meeting of the reorganized and enlarged Council.

We are extremely grateful, Sir, to His Highness the Maharaja and His Government for having graciously conferred additional privileges on this Council. Our predecessors have, by their moderation, paved the way for these concessions and I am confident that we will soon fit ourselves for the grant of additional privileges.

SIR, this Council is still limited in its scope and usefulness inasmuch as the members are precluded from moving more than one resolution nor have we the privilege of asking more interpellations. Our moderation for the last thirteen years must have convinced the Government that privileges are used with discrimination. Government must kindly give us the opportunity of moving resolutions on the budget and of asking more interpellations for eliciting more information.

We meet under happier and more favourable circumstances. The world war has happily ended as was confidently anticipated in favour of Great Britain and her allies. We are justly proud of the achievements of the Imperial Service Lancers who have covered themselves with glory by their heroic deeds. They have returned home after rendering an excellent account in the several theatres of war. On behalf of myself and other representatives in this Council, we extend to our brave heroes a warm welcome to their homes and wish them all peace and happiness and rest which they deserve.

We are glad that His Highness the Maharaja toured in parts of the Shimoga District and passed through Koppa Taluk on his way back to Mysore. Such tours are eagerly looked forward by people and peasants living in far off places. His Highness' visit to Bhatkal has roused an unbounded enthusiasm in those parts and people in and out of Mysore look forward, with the help and sanction of the Government of India, for a seaport at Bhatkal which is an easy outlet for our enormous trade for which there are at present no facilities. We look forward eagerly and hopefully for an early official announcement in the matter.

We note, Sir, with immense pleasure that His Highness the Yuvaraja has again gone to Europe on an extended tour which will, we are confident, have a beneficial influence.

We are glad that Mr. Banerji has come back to us with renewed vigour.

We thank the Government for extending the franchise of election to the districts and permitting direct voting and this is the first time when it is made possible for districts like Kolar, Tumkur and Kadur to send in their representatives. The Vokkaligar Community is, we note with pleasure, well represented on this Council and need we say that we all expect that they will use their strength on the Council for the benefit of other communities as well who are less fortunate to secure a representation even by nomination.

With regard to the remark that nearly three-fourths of the electors failed to exercise the right so graciously conferred, a right which they all undoubtedly value, I am constrained, Sir, to humbly point out that it is not the apathy or want of appreciation on the part of the voters that resulted in such a small number taking part in the election. The cause lies elsewhere. The election was first announced for a particular day and had to be adjourned for some reason or other which caused some confusion and scared away voters. The list of voters also needs scrutiny. I can assure you, Sir, that at the next election a larger percentage of voters will surely be present, and take an active part.

We are sorry to miss the familiar figure of Mr. Basavaiya who did not, we are sorry, live long to fight the battles of the people. Let it not be said that one community was uncharitable not to mourn his loss. We share the regret of all communities and deplore his premature death. Whatever may be said of his activities, Mr. Basavaiya certainly demonstrated the force and value of organized action and we have a lesson to learn from his career. His activities arrested attention and stimulated thought even in the highest quarters. My community expresses sincere sympathy to his family in their sad bereavement and wish his soul profound peace in the eternal space of life.

SIR, we have a small but important suggestion to make which doubtless will commend itself to the Government and to the official members. In Indian States the interests of officials and non-officials are identical and their patriotism and love centre round the person and throne of their respective Rulers. It should therefore be the aim of this Council that official members should have the freedom to vote according to the dictates of their conscience on any Bill whether introduced by Government or by a non-official and

not vote solidly in favour or against, simply because a Bill is from the anvils of the Government or ushered by a non-official as the case may be. 361

We are thankful to the Government for the continuance of control over foodstuffs and other beneficial measures adopted to mitigate the economic distress owing to high prices. People in the cities and also in some district headquarters such as Shimoga feel the scarcity of fuel. Labourers, daily-wage earners and ill-paid Government servants all clamour for increase in their emoluments and the matter deserves early decision of the Government. We are confident and glad that Government are taking steps in the matter.

Some of us are young and take our seats for the first time and we hope we will have the hearty co-operation and advice of our colleagues both official and non-official. We are glad that Dewan Bahaudr K. P. Puttanna Chetty and Rao Bahadur M. Shama Rao have again placed their services for the benefit of the people and have not completely sought rest. We note with pleasure that Rao Bahadur Ranga Iyengar is on the Council on behalf of the cultured body of the Mysore Senate.

Once more we thank you, Sir, for your cordial welcome and hope your term of office as President will be full of beneficial legislation.

MR. B. N. VIJAYADEVA.—SIR, as this is the first meeting of the newly reconstituted Legislative Assembly, I desire to say a few words. The representatives of the people are present here in large numbers and this, I submit, is another example of our beloved Highness the Maharaja's solicitude for the welfare of his people to associate them more and more in his Government. We ardently hope that the day is not far off when this assembly will have the majority of members directly elected by and representing the people. You, Sir, have paid a handsome tribute to the services rendered by our late colleague Mr. M. Basavaiya. His services in the interests and for the welfare of all, irrespective of caste or creed have been recognized, I am glad to say, by the cultured and intelligent classes in the country as testified to by Mr. Hosakoppa Krishna Rao's kind reference to him and his work in his speech to-day. He has worked and fought for the benefit of the masses and not for any individual community. You have, Sir, referred to co-operation of the non-official members of this Council. I assure you, Sir, that we will strive our best to render our help and co-operation in all that you do in the interests of and for the good of the people. Some of us are young and inexperienced and in our desire to work for and do good to the people we may be over anxious, imprudent and thoughtless. Tried politicians and statesmen we are not, many of us at least. We shall be glad of timely correction and guidance when in striving to do public good we go wrong, so that we may really do some useful work for the good of all.

With these few remarks, I resume my seat.

I. SECRETARY'S REPORT

The Secretary reported to the Council—

(i) that the following Bills which were passed at the meeting of the Legislative Council held on the 29th October 1919 received the assent of His Highness the Maharaja on the 9th November 1919 :—

(*a*) Bill further to amend the Mysore Legal Practitioners' Regulation, 1884.
(*b*) Bill further to amend the Mysore Legislative Council Regulation, 1907.

(ii) that the following gentlemen took their seats as additional members of the reconstituted Council to-day.

MR. C. S. BALASUNDARAM IYER.
" S. CADAMBI.
" K. CHANDY.
" C. R. REDDY.
" K. SHANKARANARAYANA RAO.
" M. N. KRISHNA RAO.
" P. G. D'SOUZA.
RAJAKARYAPRAVINA RAO BAHADUR T. V. ARUMUGAM MUDALIAR.
MR. M. G. RAMA RAO.
" M. A. NARAYANA IYENGAR.

Mr. D. G. Dani.
" K. Mathan.
" B. N. Vijayadeva.
" Mahomed Abbas Khan.
" M. Subbaiya.
" B. V. Ramaswami Chetty.
" D. Venkatesaiya.
" S. A. Javaraiya.
" H. Venkataramaiya.
" H. Krishna Rao.
" H. G. Basavappa.
" N. S. Nanjundiah.
" M. Ananthia Setty.
Rao Bahadur M. C. Rangiengar.
Rajasabhabhushana Dewan Bahadur K. P. Puttanna Chetty.
Rajakaryaprasaktha Rao Bahadur M. Shama Rao.
Rao Saheb H. Chennaiya.
Mr. M. Ramachendra Rao.
" B. Abdur Rahman.

II. INTERPELLATIONS.

1. Rajakaryaprasaktha Rao Bahadur M. Shama Rao, M.A., asked.—Will the Government be pleased to state if their attention has been called to an English version published by the Madras Publicity Bureau, of a leaflet on cultivation of sugar-cane in North and South Arcot and the neighbouring districts of the Madras Presidency?

(*a*) If so, will the Government be pleased to give a succinct statement of the steps taken during the past three years, for the expansion of sugar-cane cultivation and its improvement in the Mysore State?

(*b*) Will the Government be pleased to consider the desirability of publishing a small pamphlet written in easy and popular Kannada, with coloured illustrations, giving information with special reference to the sugar-cane growing tracts of Mysore, as to the methods of present cultivation, drainage, manure, varieties of cane grown, etc., and improvements feasible to be effected?

Mr. P. Raghavendra Rao, B.A., B.L. replied.—Government have not perused the leaflet in question; but (*a*) a statement giving local details is furnished, (*vide* Appendix A).

(*b*) Material is being collected for the preparation of a bulletin. The Member's suggestions are noted in that connection. Various measures have been taken from time to time to improve sugar-cane cultivation in the State, details of which are to be found in the departmental reports and bulletins issued by the Agricultural and the Industries and Commerce Departments.

2. Rajakaryaprasaktha Rao Bahadur M. Shama Rao, M.A., asked.—Considering the high prices at which milk, curds, and ghee can be obtained in the cities of Bangalore and Mysore and their general unwholesome character and the consequent hardship to which children and persons of limited means are exposed, will the Government be pleased to direct an enquiry to be made through the Municipal Councils of these cities or otherwise, as to the volume of demand for these necessary articles of consumption, the sources of their supply, the existing facilities for their distribution to consumers without too many intermediaries, the conditions in which cows and cowstalls are maintained and improvements that may be introduced?

Mr. P. Raghavendra Rao, B.A., B.L., replied.—The Municipal Councils referred to will be requested to consider the points indicated in the interpellation.

3. Mr. H. Krishna Rao, asked.—Will the Government be pleased to state as to when the Koppa Water Works Scheme will be put on hand, and now that the war is over, as war was a legitimate excuse for all delays, will the Government be kindly pleased to take up the work during the coming year, as the Koppa

Municipality is prepared and willing to contribute its quota towards the cost of the scheme and towards the upkeep after the works are completed?

MR. A. R. BANERJI, M.A., I.C.S., C.I.E., REPLIED.—The estimate for the work was sanctioned in November 1917 for Rs. 24,711. Owing to the subsequent rise in the price of pipes, the estimate is likely to be exceeded by Rs. 7,876. The Municipal Council has been addressed as to its willingness to bear its share of the increased cost. As soon as its reply is received, steps will be taken to start the work.

4. MR. H. KRISHNA RAO ASKED.—Will the Government be pleased to state as to why the scheme sanctioning the conversion of all sub-taluks into pakka ones has not yet been given effect to?

MR. C. S. BALASUNDARAM IYER, B.A., REPLIED.—The scheme has been deferred owing to financial considerations.

5. MR. MAHOMED ABBAS KHAN ASKED.—Will the Government be pleased to state:—

(1) The number of cattle that died on account of rinderpest disease during the year 1918-19 in the Mysore State?

(2) The number of cattle that were inoculated during 1918-19 against rinderpest?

(3) Whether adequate supply of serum for inoculation against rinderpest is always kept available, if not, what steps the Government propose to take in this connection?

(4) The number of Government Veterinary Hospitals in the State, cities of Bangalore and Mysore being excepted?

(5) In how many places have arrangements been made, for treating the sick and maimed cattle (cities of Bangalore and Mysore being excepted)?

(6) The number of scholarships and the amount sanctioned and availed of during 1919-20 for students to qualify themselves as Veterinarians?

(7) The scale of pay guaranteed for such qualified persons?

MR. C. S. BALASUNDARAM IYER, B.A., REPLIED.—

(1) Separate figures for death by rinderpest only are not available.

(2) 26,302.

(3) As the full demand for the current year could not be met by the Imperial Bacteriological laboratory, enquiries are being made about other sources of supply.

(4) Six hospitals, one at each of the District Headquarters, excluding Mysore and Bangalore, and eleven dispensaries.

(5) In all the seventeen institutions stated above.

(6) Six scholarships of Rs. 30 each per mensem were sanctioned. All the six scholarships were awarded, but two of the scholars are reported to have since left the College on account of illness.

(7) The attention of the member is invited to G. O. No. R. 8854-63—Agri. 27-16-11, dated 27th February 1918, fixing the scale of pay of different grades of Veterinary Officers.

6. MR. MAHOMED ABBAS KHAN ASKED.—Will the Government be pleased to state:—

(*a*) How many Hindustani and Anglo-Hindustani Schools there are in the Taluk and District Headquarters of the State?

(*b*) How many of these schools were not inspected by the District Urdu Inspectors during the course of the last two years (1917-18, 1918-19) and of the last three years 1916-17, 1917-18 and 1918-19?

(*c*) What action the Government have taken or propose to take in future to ensure the efficient inspection of these schools?

MR. A. R. BANERJI, M.A., I.C.S., C.I.E., REPLIED.—(*a*) and (*b*). The information is furnished in the statement placed on the table. (*Vide* Appendix B.)

(*c*) Government have recently sanctioned the appointment of an additional District Inspector for the Malnad districts. The question of ensuring more adequate inspection of these as well as other schools is now engaging the attention of Government.

7. MR. MAHOMED ABBAS KHAN ASKED.—Will the Government be pleased to state :—

(1) If any special grant for furniture has been sanctioned to Hindustani Schools during the year 1919-20? If so, to what extent the grant has been utilised?

(2) Whether annual indents for furniture for the Hindustani Schools in the State for the year 1919-20 were submitted in time?

(3) If so, was the furniture supplied according to the indents?

(4) If not, who is responsible for the delay in the submission of the indents and the supply of furniture?

MR. A. R. BANERJI, M.A., I.C.S., C.I.E., REPLIED.—(1) No special grant has been sanctioned for furniture to Hindustani Schools during the year 1919-20, but the needs of these Institutions were taken into account in making a special allotment of Rs. 50,000, for equipment.

(2) Consolidated indents from Circle Inspectors include the requirements of Hindustani Schools also and have been submitted according to departmental instructions.

(3) & (4) The Hindustani Schools have been given a fair share of the total number of articles available for supply as will be seen from the accompanying statement furnished by the Inspector-General of Education. (*Vide* Appendix C.)

8. MR. M. ANANTHIAH SETTY ASKED.—Will the Government be pleased to state if they are aware that the people of Chitaldrug prayed for the opening of a University Entrance class at Chitaldrug during last year?

Have the Government made any arrangements to open the University Entrance Class at least during the next Academical year?

MR. A. R. BANERJI, M.A., I.C.S., C.I.E., REPLIED.—Yes.

The number of pupils that may be expected to join the Entrance Class in the Chitaldrug High School is not yet sufficiently large to warrant the opening of such a class next year.

9. MR. B. V. RAMASWAMI CHETTY, B.A., ASKED.—Are Government aware that in Bangalore and other large Municipal towns the shop and house-owners have been unjustly compelling the tenants to pay rents at exorbitant rates and will Government be pleased to consider the advisability of passing a Rent Act to prevent things from going from bad to worse in this respect?

MR. P. RAGHAVENDRA RAO, B.A., B.L., REPLIED.—The matter will be considered by Government.

10. MR. B. V. RAMASWAMI CHETTY, B.A., ASKED.—Has the attention of Government been drawn to the fact that by reason of sufficient number of Special Criminal Courts not having been formed, a very heavy burden is thrown on some Special Magistrates which compels them to work every day later than 5 P.M., and will Government be pleased to give relief to such Magistrates by appointing more Special Magistrates or by investing Special 2nd Class Magistrates with the powers of 1st Class Magistrates?

MR. MIR HAMZA HUSEIN, B.A., B.L., REPLIED.—It is too early to form any opinion as to the nature and amount of work devolving on each Special Magistrate's Court. Government are carefully watching the working of the scheme and will take such measures as may be necessary to rectify any defect that comes to notice.

The attention of the member is also invited to para I of G. O. No. G. 11053-63—Cts. 247-18-1, dated 17th November 1919, in which it is proposed to invest second grade magistrates with first class powers.

11. MR. B. N. VIJAYA DEVA, M.A., ASKED.—Will the Government be pleased to furnish information as regards—

(1) the funds set apart for hostel buildings' grants in the Educational Department according to the new rules?

(2) the number of applications received by the Department for disbursing hostel grants and how they were disposed of?

MR. A. R. BANERJI, M.A., I.C.S., C.I.E., REPLIED—(1) No specific allotment for

building grants to hostels was made in the Budget for 1919-20 as the new rules were passed after the Budget was issued. A sum of Rs. 14,000 was provided by reappropriation for grants to three private hostels in Bangalore, Chikmagalur and Tirthahalli.

(2) The department has received seven applications under the new rules. One has been rejected and the remaining six are pending consideration.

12. RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E., ASKED.—Will the Government be pleased to state:—

(*a*) What is the total cost to the State up-to-date on account of the Mysore University inclusive of the Buildings, Equipment, Libraries, Staff and any other charges connected with it and what are the commitments in the next few years?

(*b*) How does this expenditure compare with similar charges on the extension of primary and secondary education in the State during the same period?

MR. A. R. BANERJI, M.A., I.C.S., C.I.E., REPLIED.—A statement is laid on the table. (*Vide* Appendix D.)

The question of the further development of the University is under consideration.

13. MR. N. S. NANJUNDIAH ASKED.—Will Government be pleased to state:—

(*a*) Whether they are aware that in Hassan the Office of the District Superintendent of Police is located at the very entrance and in a portion of the District Lock-up Buildings?

(*b*) Whether they do not consider it necessary to have the said Police Office located elsewhere for obvious reasons?

MR. MIR HAMZA HUSEIN, B.A., B.L., REPLIED.—(*a*) Yes.

(*b*) The question of providing separate accommodation for the District Police Office is under the consideration of Government.

14. MR. M. SUBBIAH, B.A., ASKED.—Will the Government be pleased to state what action they propose taking in order to keep within reasonable limits the inordinate rise in the prices of food grains and whether it is not desirable to fix by means of legislative action minimum and maximum prices of these grains with a view to afford relief to the middle and poorer classes?

MR. C. S. BALASUNDARAM IYER, B.A., REPLIED.—Government are carefully watching the food situation and are adopting various measures of control to keep down an inordinate rise in prices. The suggestion made by the member is under the consideration of Government.

15. MR. M. SUBBIAH, B.A., ASKED.—Will the Government be pleased to state whether Mr. Kent, a Coffee Planter in the Mudgere Taluk, has applied for 3,000 acres of gomal land belonging to Idkhana and Hemmakki villages of Kalsa Hobli in the same taluk and whether the Government is aware that the granting of such a large extent of pasture land to him will operate as a great hardship on the raiyats of these villages who will be deprived of fodder and water to their cattle besides subjecting them to much annoyance and harassment from the Managers of the Estate?

MR. C. S. BALASUNDARAM IYER, B.A., REPLIED.—Yes.

An application has been received for the grant of 1,870 acres of jungle land for coffee and tea cultivation along with certain concessions, and the matter is under investigation. The convenience and requirements of the raiyats will receive due consideration in the disposal of the application.

III. BILLS.

1. Bill further to amend the Mysore Land Revenue Code, 1888.

MR. C. S. BALASUNDARAM IYER.—SIR, I beg to move that leave be granted to introduce the Bill further to amend the Mysore Land Revenue Code, 1888. The Bill is a

short one. In November, 1918, Government passed certain orders in regard to the delegation of powers to the Revenue Commissioner and Deputy Commissioners in certain details connected with the Land Revenue Administration. One of the powers thus delegated is the power under Section 160 of the Land Revenue Code to prescribe from time to time by what officers distraint of defaulters' property is to be made. The carrying out of this decision of Government involves an amendment of the Land Revenue Code by the omission of a few words occurring in Section 160. As Section 160 stands at present, the distraint of defaulters' property is to be made by such officers or class of officers as the Revenue Commissioner "*under the orders of Government*" may from time to time direct. The council will see that the power practically vests in the Revenue Commissioner, but it is subject to the orders of Government. This sanction is merely formal and it is to obviate any delay that may occur on account of this formality, which serves no useful purpose, that Government have decided to vest the discretion in the Revenue Commissioner himself and to abrogate the necessity for their formal sanction every time the Revenue Commissioner passes an order. The words "under the orders of Government" occurring in that section are, therefore, proposed to be omitted. It may interest the Council to know that in the Land Revenue Code of 1888 as originally passed, the power referred to in the section vested solely in the Government, and it was transferred to the Revenue Commissioner subject to the supervision of Government by an amendment made in 1906 by Regulation VI of that year. The effect of the legislation now proposed will be to vest that discretion entirely in the Revenue Commissioner.

The Bill, as you will see, is thus the expression of a gradual devolution of authority and involves no violent or radical change from accepted policy. I therefore trust that the Council will feel no hesitation in giving leave to introduce this measure. The further stages of the Bill will take their usual course.

MR. K. CHANDY.—SIR, I beg to second the motion.

MR. D. VENKATESAIYA.—SIR, in supporting the motion, I beg to make one or two observations. Now that my honourable friend proposes to amend the Land Revenue Code, I wish to point out that certain verbal amendments are necessary in the Code. The New Civil Procedure Code was introduced into Mysore in 1911. In the Land Revenue Code of 1888, references are made to the old Civil Procedure Code, which are still retained. For instance, with regard to arbitration in section 128 of the Land Revenue Code, section 520 of the old Code of Civil Procedure is referred to. When passing the amendment now moved, I suggest these verbal amendments may also be taken up and passed in order to bring the Land Revenue Code up to date.

DEWAN.—How is it relevant to the present subject?

MR. D. VENKATESAIYA.—I know it is not relevant, but I only make a suggestion.

DEWAN.—It may be brought up separately, if necessary.

The motion was then put to vote and passed.

2. Bill to amend the Mysore Local Boards and Village Panchayets' Regulation, 1918.

MR. P. RAGHAVENDRA RAO.—SIR, I rise to move that the Bill to amend the Mysore Local Boards and Village Panchayets' Regulation, 1918, be read in Council. The Hon'ble Members will notice that this bill has been introduced after publication under Rule 32 for conduct of business in this Council. It is usual when introducing a Bill for the member in charge to explain briefly the principles of the Bill and its general provisions and a few words from me now will not, I think, be therefore inappropriate.

From a perusal of the statement of objects and reasons, it will be clear to the Hon'ble Members that the introduction of this Bill has been necessitated by the re-organization of the Mysore Economic Conference ordered in the Government Proceedings of 12th July 1919. According to this, economic work in the district is to be assigned to the respective Local Boards—as one of their obligatory functions—instead of its being attended to by separate District and Taluk Progress Committees as has been the practice hitherto. After a very careful consideration of the situation in the light of the experience gathered during eight years' actual working of it, it has been thought that it would avoid duplication of

agency as well as work if, instead of having separate bodies to deal with economic development, the work was entrusted to the boards already in existence. It may be stated that this was suggested at one time, but it was not accepted then as it was felt that, unless there was a special agency, the work of economic development was likely to suffer. It is therefore no new idea that is meant to be given effect to by the introductionof this Bill. It is, in fact, to give effect to the idea which was entertained at quite an early period. As the Regulation now stands, Local Boards have no statutory powers in the matter of economic development work, and, unless such a provision exists, it is felt that economic development work is likely to suffer. As the Hon'ble Members are further aware, the field for selection is very limited at the headquarters of both districts and taluks and no useful purpose will be served by prepetuating an arrangement, for which no necessity or justification is felt at present.

It will be noticed that, in Clause 6 of the Bill, provision is made for the levy of an Education Cess. This is in pursuance of the scheme proposed in the memorandum on education published in the Government Order of the 5th June 1919. It, is within the knowledge of the Hon'ble Members that the expenditure on education has gone up considerably during the past few years and while it may be safely assumed that this additional expenditure is not grudged by any one, still it has been considered desirable to take power to levy a cess, to meet this expenditure to certain extent at least. I have not the least doubt that this provision will meet with general acceptance under the circumstances explained.

As regards the power taken to impose conditions on ferry contractors, there is not much that need be said. Instances of fatal accidents, caused by the capsizing of boats in public ferries, have frequently come to the notice of Government but, as matters stand at present, the conditions laid down can only be enforced in Civil Courts by virtue of the contract and no punishment can be inflicted upon the contractors for breach of such conditions. Government have in one of their executive orders prescribed the periodical examination of ferry boats by certain officers and the issue of licenses for plying boats on certain conditions. But this is not sufficient for the reason above stated. In order to remedy this defect, it is proposed to give statutory authority to the Local Boards for framing and enforcing rules calculated to ensure the proper management of public ferries. As such, it is in the interests of public safety.

With reference to the last paragraph of sub-section 1 of section 38, very little explanation is, I think, necessary. It is a penal provision and intended to make it clear that the penal provision is applicable to all cases of infringement of the rules made under the Regulation.

With these remarks, I beg to commend the Bill for the acceptance of the House.

MR. P. G. D'SOUZA.—SIR, I beg to second the motion. In doing so it is not necessary for me to say much as the objects and purposes of the measure have been lucidly explained in the speech of the mover. Economic Development—I use the expression in its larger sense as including all matters pertaining to the material and moral welfare of the people—is now recognized as one of the primary duties of Government. To enable them to carry on these functions, special organizations have been constituted. In the districts they were known as district, taluk and village progress Committees. These bodies have done a great deal of pioneering work in the investigation of local wants, in stimulating the economic activities of the people and in enlisting their co-operation and support in the spread of education and in the introduction of agricultrual and industrial improvements. But these bodies have been working under considerable limitations. In the first place, they had no funds to carry on their work with except those placed at their disposal by Government. They had no special staff, nor were they responsible for the execution of the schemes sent up by them. Thus, though these bodies have rendered considerable service in the earlier stages of economic development it was felt that, when a permanent organization was created, it was necessary to devolve these functions upon existing statutory bodies. The Local Boards Regulation already contemplates local bodies taking up these functions though it is left to their option to do so. The measure now adopted constitutes the most remarkable advance in Local Self-Government attempted anywhere in India. It practically renders local bodies responsible for the entire material and moral well-being of the areas coming within their operation and the entire work of economic development will be properly co-ordinated. The Local Boards, have been reconstituted and are certain to attract as members the best representatives of the people and with

the enlarged opportunities now given to them I feel confident that an era of all-round development will be inaugurated.

"The only other point I wish to refer to is the levy of the education cess." The President in his opening speech has already explained the need for the cess. It is proposed to bring education practically to the doors of each important village and also increase the middle schools sufficiently in number to enable people to derive the fullest benefits from education of this grade. Middle school education, as you are aware, has been made free. "Further development of education is not possible unless we are able to provide adequate funds. It is necessary to train the people to discharge the larger duties they are now called upon to fulfil and cope with the increasing difficulties in the struggle for existence." I hope, therefore, that the members will give their enthusiastic support to this tax which is intended to be spent entirely for their benefit.

MR. D. VENKATESAIYA.—SIR, in rising to oppose the Bill, I beg to state that the Bill itself seems harmless except for clause 7, which relates to taxation. The Bill, in the main, is a measure for taxation. I submit it is necessary to obtain the opinions of the District Boards and Taluk Boards before the Bill is considered in this Council. In the Proceedings of the discussions of the Legislative Council last year, I find that the Financial Secretary was himself averse to the levy of this cess. I refer, you, Sir, to page 57 of Extraordinary Gazette dated the 3rd July 1919. In reply to Mr Garudachar, the Financial Secretary says, "If he means by education cess, an additional burden on the land, most members of this Council will differ from him, and I also differ." So, it is clear that Government themselves were not inclined to levy the education cess on land revenue only last year. I do not know what special circumstances intervened during these 12 months for justifying the levy of this cess, now, all at once. Further, I find, that while discussing the Income Tax Bill last year, we were told that it was with the object of relieving the burden on land revenue that it was proposed to levy the income tax. Now, there is an additional measure for levying an extra cess on land revenue. If the income tax was justified by an already existing cess on land revenue, then the argument might possibly be that the Income Tax Bill to be introduced would justify this measure—one tax justifying the levy of another. I cannot see the necessity for introducing the education cess so soon, without having the opinions of the District and Taluk Boards in the matter. I submit therefore that the Bill may be deferred so far as regards that clause is concerned until the District and Taluk Boards express themselves in favour of the cess. I have no objection to the other clauses.

RAO SAHEB CHENNAIYA.—SIR, I beg to second the amendment and wish to make a few remarks. As remarked by the previous speaker, the Government themselves were not in favour of imposing a cess like this a year ago. Before introducing any such cess, I submit that orders ought first to have been passed on the Educational Memorandum. It is a well-known maxim that before supplies are asked for, the redress should be announced. We do not know to what extent the Educational Memorandum would be sanctioned and what expenditure would be involved by the introduction of educational reform. I would therefore propose that the levy of the cess be deferred till orders are passed on the Educational Memorandum. When dealing with the Income Tax Bill, I shall have occasion to offer some remarks on this point.

MR. VENKATARAMAYYA.—In supporting the amendment, I beg to state that the cess on land revenue in the Tumkur District is one anna and in most other districts another half an anna is levied on account of railway cess. If this cess is also levied the poor raiyats will have to pay 2 annas in the rupee which is very hard for them to pay in these adverse circumstances. When the question of income tax was first mooted in the Representative Assembly, I beg to submit that it was given to understand that the amount realised out of the income tax would be earmarked for educational purposes. It was under these circumstances that the Representative Assembly consented to the Income Tax Bill being introduced. Since that measure also is before the Council to-day and since by the introduction of this cess the raiyat will be very hard pressed, as the tax he has to pay will be quite disproportionate to the tax paid by others, I beg to state that I support the amendment, *i.e.*, Section 7 should be deleted altogether.

MR. P. RAGHAVENDRA RAO.—I beg to point out that this is an enabling clause, and only meant to take power. You will find in the Local Boards Regulation

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section 24, (*a*) and (*b*), that provision is made for a railway cess. No cess can be levied unless the cess is determined by the District Board supported by three-fourths of the members present at the meeting. There is ample provision to safeguard the interests of the public and it is not likely to work as a hardship. It is the District Boards that authorise the levy, and unless there is a clear majority of three-fourths of the members present at a special meeting, it cannot be levied.

RAO BAHADUR M. C. RANGA IYENGAR.—I believe the option lies entirely with the District Boards and as such there is no harm in this Bill being passed.

MR. A. R. BANERJI, C.I.E.—I am afraid the opinions expressed by some of the non-official members appear to me to be based on a little misapprehension. They have compared the income tax levy with the levy of the education cess. These two are not exactly on the same footing. If the Income Tax Bill is passed, the levy becomes legal; but the levy of a cess is entirely optional with the District Boards. If the District Boards find it necessary they will have to pass a resolution and Government has to approve of it. It does not necessarily follow that if the Income Tax Bill is passed, the education cess will be levied as a matter of course.

MR. M. SUBBIAH.—How can the reform scheme be carried out if the cess is not levied? The cess in that case becomes general as the reform scheme is a provincial one.

MR. A. R. BANERJI, C.I.E.—That is a matter for the District Board to decide and may be left to the good sense of the Board. The present measure is not a provision for taxation at all. It is an optional measure just like the clause relating to the railway cess.

MR. MIR HAMZA HUSEIN.—One of the reasons why this clause has been introduced is to enable the District Boards to take up the question of Primary Education. If the proposals made in the Educational Memorandum are to be carried out and if Primary Education is to be extended in the manner proposed, the District Boards must have power to levy the cess. It is purely discretionary with them to levy the tax or not. The Government will sanction the new cess only if the Board thinks that in the interests of their finances the levy is necessary. As regards the money required, those who have studied the Educational Memorandum will see that for the expansion of Primary Education, Government require 10 lakhs of rupees. With this amount it is proposed to open about 600 schools. If the cess is levied, 4 lakhs will come from District Boards and the other 6 lakhs will have to be met from other sources. The Representative Assembly has approved the programme sketched out in the Educational Memorandum and I can say without any breach of confidence that the Education Board too has approved of the same. We will not be carrying out the wishes of the Representative Assembly if we do not consent to pass this Bill and place the amount required at the disposal of the District Boards.

MR. D. VENKATESAIYA.—When I moved the amendment, I was quite aware of the objects of the Government in introducing this Bill. What I wanted to submit was that land revenue should be relieved. If necessary, Excise and other revenues may be taxed at a higher rate. The members of the Kolar District Board have passed a resolution against levying Education cess on land revenue. They were in favour of levying even one anna in the rupee on Excise and Forest Revenues if necessary. The point is that clause 7, cannot be viewed as merely a matter of detail; my amendment is that clause 7 should be deleted altogether. I want to bring this fact for the serious consideration of the members. There are other items of revenue which can be more usefully taxed; and clause 7, as it stands is highly objectionable. The clause as it is, mentions "all items of revenue." If it were "such items of revenue, etc," it may be all right. That clause as it stands, includes very complicated matters and I object to its being retained. Further, consideration has not been paid to the question of consulting the District Boards. From that point of view also, the particular clause may be considered and disposed of as undesirable.

MR. M. A. NARAYAN IYENGAR.—SIR, one of the chief objections urged against the measure is that the District Boards have not been consulted in the matter. I wish to point out that this section itself is purely an enabling section, and after it is passed in this Council and becomes law, what happens with regard to the levy of

this cess is that the District Boards themselves will have to thresh out this question and decide how far to accept the liability and impose the burden in each district. The section as amended would read like this:—

Section 24, Clause 3. "A District Board may also levy a cess not exceeding six pies in the rupee on all items of Revenue on which local cess is levied to be utilised solely for the advancement of Education."

In the interpretation of the Clause "all items of Revenue" also, there appears to be a misunderstanding, for it must be remembered "all" includes "some" and the power to levy a cess on "all" revenue includes the power to limit the levy to "some" items of revenue such as Excise and Forest excluding land if any District Board is so minded. We are now providing that District Boards should undertake development work generally. And in order to carry out this legitimate duty under the Regulation, it is absolutely necessary that they should have the power to raise the extra funds for carrying out the work. With this power each District Board will consider how far they could levy the fee in each district. In these circumstances, it is not necessary to consider the deletion of the whole clause now. It is sufficient to allow each District Board later on to decide how far to adopt it. I, therefore, oppose the amendment at this stage.

MR. C. S. BALASUNDARAM IYER.—I wish to draw attention to a point of order. At present the motion is that the bill be read in Council. Under Rule 33, at this stage the proper thing is to discuss the general provisions of the Bill and consider the question of referring it to the Select Committee. The Select Committee is the body to consider all the provisions in detail. There may be differences of opinion in matters of detail If the Select Committee is properly constituted all things will be considered satisfactorily. When the whole Bill comes up, then it will be time to consider the provisions in a more satisfactory manner. I fear it is owing to some misconception that the member who has just spoken, (the member to my right), has called it an amendment to the motion. I fear it cannot be so described correctly. At present we are only considering the general provisions of the Bill and if this motion is approved, then this question will come up for consideration in the Select Committee.

MR. A. R. BANERJI.—I think the member meant to oppose the motion.

MR. B. V. RAMASWAMI CHETTY.—SIR, Mr. Balasundaram Iyer has said that it is out of order to propose an amendment to the Bill at this stage. It seems to me that the principle of the bill cannot be considered in the Council after the Select Committee has made its recommendations. Rule 46 of the Legislative Council Rules, lays down that after the Bill is referred to the Select Committee and they have made their recommendations, no member has got a right to object to the principle of the Bill. We are therefore guided by this rule and can speak against the measure only at this stage.

MR. C. S. BALASUNDARAM IYER.—SIR, what I meant was that this is not the stage at which amendments can be suggested. It is open to oppose the motion.

RAO SAHEB CHENNAIYA.—It seems to me that under this clause (providing for the levy of an education cess not exceeding 6 pies in the rupee on all items of revenue on which local cess is levied) such a cess can only be levied on land revenue. I would suggest for the consideration of the Select Committee that as persons paying other taxes than land revenue would benefit by the educational reform they should also be charged with the Education Cess. For instance if income-tax is to be introduced into the State, the Education Cess should also be levied on such tax. If the local cess is at present levied on other items than land revenue, then income tax assessees who would enjoy the benefits of the Educational scheme should also be subject to this Education Cess. I suggest that this aspect may be considered in the Select Committee.

MR. ABBAS KHAN.—It is no doubt in the nature of levying a cess on all items of revenue other than the land revenue. In that case only an amendment in the Select Committee can be regular. Since it is intended only to enable the Government to have a provision so as to empower the District Boards to consider the expediency of levying a cess of this kind by a clear majority, a provision of this kind is necessary. If we say, "on all or any items of land revenue", the object of the opposer will be gained.

RAO BAHADUR M. C. RANGA IYENGAR.—We have been praying Government to make education free. Government have met our wishes half way. In order to enable Government to carry on the useful work of educating the masses, it is necessary that Government should be enabled to find funds. If we are not prepared to contribute we shall have no right to ask Government to make higher education free. It is in the interests of the people themselves that education should be spread. In this view the people ought to be willing to contribute by way of an education cess. The items of revenue to be charged is a matter of detail and may be left to the Select Committee, and it is the business of the District Board to find out what items of revenue are capable of the burden. It is not obligatory on the District Boards to choose every item of revenue on which to charge this levy. The discretion is theirs. At the present stage no amendments can be suggested.

RAO BAHADUR M. SHAMA RAO.—There are not enough grounds to oppose the motion. Mr. Venkatesiah himself says that the Local Boards should of their own motion pass a resolution before the levy of the cess can be made. Local Boards have to contribute one-third of the cost, and if they are able to get this amount they need not levy the cess at all. I have some sympathy as regards excluding land revenue. The pressure on the land should not be indefinitely increased. With regard to the other items whether all the items or some items of revenue should pay is a matter of detail which can be left to the Select Committee and may be considered after the Select Committee stage is over.

DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.—From the trend of discussions it is apparent that there is a general reluctance on the part of the non-official members to impose more burdens on the raiyats. Mr. Venkatesiah's fear is that when once the Local Boards are authorised to levy the cess, it is simply a matter of routine that it shall be levied. Our experience in this matter has been rather unhappy. For instance in the Mysore district no sooner was the Railway cess sanctioned, than it was levied by the District Board. Up to this date most of the raiyats do not know for what object the cess is levied. We simply got a hookum from the Taluk Cutcherry to pay it up. In a matter like education each district cannot do as it likes. There must be some uniformity in the matter. As some of the members said, they want to know exactly what is the nature and extent of the extension of education that is going to be sanctioned by Government, the kind of education that is going to be imparted, and the people that would be benefited by it, before they think of imposing this additional burden on the raiyats. It is only for this that Mr. Venkatesiah has proposed his amendment. He agrees like the others to the proposed draft Bill except with regard to empowering or enabling the Local Boards to levy tax on land. They are rather charry about it and I can quite understand this feeling and I think Government may also sympathise with this view. If it is open at a later stage to object to the imposition of the local cess on land revenue I think his objection will to a great extent disappear; but that will depend on the form in which it will be brought up by the Select Committee and also on its personnel and on what the preponderance of opinion in that body will be. But if the Council as a whole will declare itself either for or against, it will be easier for the Select Committee to deal with it. For the rest there is no objection, and I am sure every one will heartily support the Bill.

DEWAN.—We have had sufficient discussion on this matter. I will now put the Bill as it stands to the vote.

The motion was put to vote and was carried by a large majority.

MR. P. RAGHAVENDRA RAO.—SIR, I beg to move that the bill be referred to a Select Committee consisting of Messrs. P. G. D'Souza, K. Shankaranarayana Rao, D. Venkatesiah, H. Krishna Rao, K. Chandy and myself.

MR. P. G. D'SOUZA.—SIR, I beg to second the motion.

The motion was put to vote and carried.

3. Bill further to amend the Mysore Municipal Regulation, 1906.

MR. P. RAGHAVENDRA RAO.—SIR, in asking permission to move that the Bill to amend the Mysore Municipal Regulation be read in Council, I do not wish to take up the

time of the Council in making any lengthy observations about the necessity for its introduction. From the statement of objects and reasons, it will be seen that this Bill is intended to make provision for work connected with economic development within the Municipal areas being brought under statutory authority. The observations made by me with reference to the amendment to the Local Boards Regulation apply to this amendment also generally. At present, there is no such statutory provision and it has been considered desirable to rectify this omission by means of this amendment.

With this short preface, I beg to move that the Bill be read in Council.

MR. P. G. D'SOUZA.—SIR, the District Boards have no control over Municipal bodies who are solely responsible for improvements within local areas. The functions assigned to Municipal bodies are also somewhat limited in range. It is necessary to make them responsible for all measures of local development in the same manner as District Boards. There will be a proper co-ordination of the activities of all bodies concerned with local development and a suitable provision will be made for the purpose.

With these remarks, I beg to second the motion.

The motion was put to vote and carried.

MR. P. RAGHAVENDRA RAO.—SIR, I beg to move that the Bill be referred to a Select Committee consisting of the following members, namely; Mr. P. G. D'Souza, Mr. K. Shankaranarayana Rao, Rao Saheb H. Chennaiya, Rao Bahadur M. C. Ranga Iyengar, Mr. B. V. Ramaswami Chetty, Mr. Mahomed Abbas Khan and myself.

MR. P. G. D'SOUZA—SIR, I beg to second the motion.

The motion was put to vote and carried.

4. Bill further to amend the Mysore Forest Regulation, 1900.

MR. P. RAGHAVENDRA RAO.—SIR, the necessity for this amending Bill was sufficiently explained at the time of its introduction to this Council on the 25th March 1919. As the Council is aware sandal trees in the Mysore State form the exclusive property of the Government and the receipts arising therefrom constitute a prominent item of the forest revenue. Though the Mysore Forest Regulation, XI of 1900, provides for the control of the sale and transit of sandalwood, it contains no adequate provision to control the sale and manufacture of sandalwood oil which is a new industry started in the State by the Government itself. Hence the necessity for suitably amending the Regulation in order to effectively control the manufacture of, and trade in, sandalwood oil in the interests of the factories established by Government. Sandalwood and the products therefrom being a monopoly of Government, it is necessary to take all such steps as are necessary to ensure its being such.

After leave to introduce the Bill was granted, it was duly published and copies circulated among the members at the meeting of the Council held on the 12th May 1919 and it was referred to a Select Committee consisting of Messrs. Dewan Bahadur K. P. Puttanna Chetty, K. R. Srinivasa Iyengar, B. Narasinga Rao and myself. The report of the Select Committee has been published and copies put into your hands and in presenting their report, I beg to assure you that the provisions of the Bill were carefully examined by the committee which bestowed much attention on the legal phraseology of section 75. As revised by the Select Committee it is clear, concise and embodies the principles underlying the amendment.

With these remarks, I commend the report to your acceptance and beg to move that the report of the Select Committee on the Bill and the Bill be considered in Council.

MR. M. G. RAMA RAO.—SIR, I beg to second the motion.

The motion was put to vote and carried.

MR. B. V. RAMASWAMI CHETTY.—SIR, my only objection is that "attempt" has not been defined in this or in any Code. Courts have decided what kinds of attempts are punishable. An attempt to commit an offence should be generally followed by an act done towards the commission of such offence. It is only then that offences are punishable. The original provision in the Bill contained the word "undertake" which the Select Committee have replaced by the word "attempt". All attempts are not punishable. Attempts are of various kinds, for instance, attempts towards

the preparation for committing an offence cannot rightly be said to be punishable. I therefore think that in the light of the provisions of section 511 of the Penal Code and in the light of the decisions in the past, it would be well to define the word "attempt" so as not to cause any confusion in understanding the true import of the expression. I am of opinion that any attempt which is not followed by an act towards the commission of an offence cannot be construed as an attempt for purposes of this section.

DEWAN.—But you have yourself used the word "attempt" in the amendment.

MR. B. V. RAMASWAMI CHETTY.—Attempts immediately connected with the commission of an offence are styled as such. Attempts, such as, for distilling or selling oil without license, renting rooms for storing the oil, may be said to be attempts, but all these are in the stage of preparation which if completed would bring about the act. It is only such acts that should be punishable.

MR. MIR. HAMZA HUSEIN.—We will leave it to be determined by a Court of Law.

MR. B. V. RAMASWAMI CHETTY.—Acts remotely connected with the commission of the offence cannot come under attempts that are punishable and that is why section 511, I. P. C., has clearly indicated what attempts are punishable. When there is so much of doubt created in regard to the definition of "attempts" which are really punishable, I think "attempt" must be defined in this Regulation. I therefore propose the following amendment:—

"75 (1) No person shall sell sandalwood or manufacture or distil oil from sandalwood or redistil, refine or sell oil extracted from sandalwood except under a special license granted by such authority and subject to such restrictions and conditions as Government may from time to time, prescribe in this behalf".

"(2) No person shall attempt to break the rule laid down in sub-section (1) and do any act towards the breaking of the said rule".

MR. ABBAS KHAN.—I second the proposition if Mr. Ramaswami Chetty is agreeable to remove the word 'attempt' in the sub-section.

DEWAN.—That is no seconding. Yours is a separate amendment altogether.

MR. N. S. NANJUNDIAH.—SIR, it is very necessary that the interpretation of the word "Attempt" should not be left to the discretion of the Courts. I am of opinion that when the point has come up for discussion, and we have the opportunity of laying down, as a matter of fact, the nature of the attempt that should be made penal, we ought not to let go the opportunity, but must make the point clear. As suggested by Mr. Ramaswamy Chetty, section 511 of the Indian Penal Code, while declaring an attempt to be penal, specifically provides that an attempt in order to become penal, should be accompanied by the doing of some act towards the commission of the offence. I understand the spirit of Mr. Ramaswamy Chetty's amendment is that this fact should be made clear in the present legislation also. If Mr. Ramaswamy Chetty would agree to a change of phraseology, without, however, altering the tenor of the proposed amendment, I think the Select Committee's provision may be left in tact, and a sub-section in the following terms added:—

"An attempt prohibited under this section shall be an attempt accompanied by the doing of any act towards the commission of the offence."

That, I think, would facilitate matters.

MR. B. V. RAMASWAMY CHETTY.—Sir, I accept the form of the amendment as my object is fulfilled.

RAO BAHADUR M. C. RANGA IYENGAR.—SIR, I do not see why such a thing is necessary. There are four stages, *viz.*, intention, preparation, attempt and commission. The first is not punishable nor the second, so it is something more than mere intention or preparation and falls short of commission. This has been repeatedly decided by High Courts. Mr. Ramaswami Chetty who explained something about the definition of the word "attempt" has himself used the word 'attempt.' 'Attempt to sell' is an act just as 'attempt to break a rule' is an act, and 'attempt to manufacture' is an act. There is scarcely any difficulty about the intention of the gentlemen who drafted the Bill in the Select Committee that it is the 'attempt to commit an offence' that is punishable and not merely 'attempt to form an intention' or 'attempt to bring about a preparation,' etc. I do not see therefore any necessity for the amendment.

MR. K. SHANKARANARAYANA RAO.—SIR, I am of opinion that it is not necessary to have an amendment of the kind proposed by my friend Mr. Ramaswami Chetty.

There are certain words in the case of which it is not considered either discreet or convenient to give a definition and it is always left to the discretion of the Court to arrive at a conclusion on the facts before them as to whether the matter comes within the section, and it is for this very reason that no attempt has anywhere been made to define the word "attempt".

The provision of law sought to be introduced now, penalizing the sale of sandalwood or any act relating to the manufacture, sale, etc., of, sandal oil, has become necessary in the interests of the revenues of the State, and if we do not make an attempt to commit any of such acts also punishable, the very object of introducing such an enactment will be frustrated. Making an "attempt" of the kind punishable is necessary as a sort of a precautionary measure.

As has already been pointed out by the previous speakers, Mr. Ramaswami Chetty has also felt the necessity for such a provision as is evident from clause (2) proposed by him.

The provision as proposed by the Select Committee is perfectly sound and reasonable. I beg, therefore, to oppose the amendment.

MR. P. RAGHAVENDRA RAO.—SIR, in view of what Mr. Ranga Iyengar and the Government Advocate have said, I do not think, I have anything more to say. Still, it strikes me that the definition of the word "attempt" has not been attempted in any law that I am aware of. It is best left to be judged by the circumstances of every individual case. I do not think that a definition of the word "attempt" is possible. There are practical difficulties and it cannot be done. It is best left to the discretion of the Courts. From the amendment proposed, it is clear Mr. Ramaswami Chetty accepts the terms of the section but only desires to split it up into two clauses instead of one or in other words, he wants "attempt" to be defined. It is not, however, a feasible task. I think he has no real objection therefore to the terms of the section. He himself has used the word 'attempt' in clause (2).

The amendment was put to vote and lost.

The original proposition was then put to vote and carried.

MR. P. RAGHAVENDRA RAO.—SIR, I beg to move that the Bill be taken up and passed at a subsequent meeting of the Council.

MR. M. G. RAMA RAO.—SIR, I beg to second the motion.

The motion was put to vote and passed.

5. Bill to provide for the inspection and management of Steam Boilers and Prime Movers in Mysore.

MR. A. R. BANERJI, C.I.E.—SIR, before I proceed with the motion that stands in my name, I beg to thank you Sir, for the very generous and kind reference that you have been pleased to make regarding me. My acknowledgments are also due to the non-official members for the very kind sentiments.

I beg to move that the report of the Select Committee on the Bill to provide for the inspection and management of steam boilers and prime movers in Mysore, the report of the Select Committee on the amendments suggested by the Kolar Gold Field Mining Board and the Bill be taken into consideration.

Sir, the Bill has been under consideration of this Council for nearly two years. It had also a long previous history the details of which had been very lucidly explained by my learned colleague Mr. P. Raghavendra Rao when he obtained the leave of this Council to introduce the Bill in the first instance. The question of introducing some legislation to control steam boilers and prime movers in the State was first mooted so far back as in 1900. Much correspondence took place since and eventually it was considered that the appointment of official Inspectors might be deferred especially as the largest number of such boilers existed in the local area, *viz.*, Kolar Gold Fields where the Mining Companies themselves had established

sufficiently qualified and technical agency to look after their own interests. Subsequently, however, that is in 1917, as explained by the Member then in charge of the Bill, the question was re-opened by me with a view to see whether in addition to technical agency, it was not also necessary for Government to have some manner of control which will add to the safeguards that such agency provided and also to control those steam boilers which existed in other parts of the State. It was estimated that at least 100 boilers existed which had no manner of control exercised by private companies or by Government agency.

The Bill as the members may be aware, was read and referred to a Select Committee on 17th September 1918 and the Select Committee's report was duly published in the Gazette of 3rd April next year. At the time the legislation was initiated, some kind of assurance was given by Government to the Mining Board that any representations that they might make in regard to this legislation will be duly considered. Something happened in regard to their representations because the report of the Select Committee as published made no reference to the representations of the Mining Board who pointed out that they had submitted their representations which the Government, however, did not receive. Under those circumstances, this Council in fairness to the Mining Board resolved that the report of the Select Committee be re-committed to the Select Committee to consider the representations of the Mining Board. So the Select Committee met again and considered all these representations which were numerous and which may be classified under three heads, *viz.*, (1) those that were already considered and provided for in the Bill; (2) suggestions that could very well be provided in the rules to be framed under the Bill; and (3) suggestions considered to be unnecessary in the circumstances of each case.

The second report of the Select Committee is in the hands of the members and, I think, deals with all the points that have been raised, in great detail and with perfect lucidity. In these circumstances, I do not wish to take the time of the Council with any elaborate explanations.

I therefore beg to move that the reports of the Select Committee together with the Bill be taken into consideration.

MR. S. CADAMBI.—Sir, I beg to second the motion.

The motion was put to vote and carried.

MR. A. R. BANERJI, C.I.E.—Sir, I now beg to move that the Bill be passed.

MR. S. CADAMBI.—Sir, I second it.

The motion was put to vote and passed.

6. Bill for the Regulation of Traffic and the Preservation of the Surface of Public Roads and Places in Mysore.

MR. A. R. BANERJI, C.I.E.—Sir, I beg to move that the report of the Select Committee on the Bill for the regulation of traffic and the preservation of the surface of public roads and places in Mysore, together with the Bill, be taken into consideration.

This is a very small measure, the utility and the necessity of which have been explained very lucidly by my friend Mr. P. Raghavendra Rao when he introduced it before the Legislative Council. Leave was granted by the Council in March last and the Select Committee have sat at the Bill and presented their report which is now in the hands of the members. It is not a contentious measure and does not involve any complex principles. Without therefore any further remarks, I beg to move that the report of the Select Committee and the Bill be considered in Council.

MR. S. CADAMBI.—Sir, I second it.

The motion was put to vote and passed.

MR. HOSAKOPPA KRISHNA RAO—SIR, I beg to move the following amendment that stands against my name.

"In sub-clause 1 of clause 2 between the words "shall" and "include" the words "mean and" shall be inserted." The word "include" is sometimes taken to be synonymous with the expression "mean and include." I understand that it is very generally

used in interpretation clauses in order to enlarge the meaning of words or phrases occurring in the body of the statute. At any rate it is so used in our General Clauses Regulation No. III of 1899 and Stroud's Judicial Dictionary shows that "shall include" is a phrase of extension and not of restrictive definition and that it is not equivalent to "shall mean," but as stated by the Select Committee their object in suggesting the insertion of this new clause is to define the terms "public roads and places," with a view to specify what the terms are intended to include and it does not appear that they wanted them to be applied to any other unspecified items. To avoid giving room for any misapprehension on this subject, I beg to move that the words "mean and" shall be inserted between the words "shall" and "include."

Sir, I beg to move that in the said sub-clause after the word "bridle ways," the words "which are not vested in any local authority or private person or company and" shall be added and the words "but not vested in any local authority" occurring in the end of the sub-clause shall be omitted.

Sir, I find that the learned Second member when introducing this Bill on the 25th March 1919 observed that at present there was no statute empowering Government to control heavy traffic over provincial roads as distinguished from roads under the control of District Boards and other local bodies and that the Bill was intended to empower Government to frame rules for the regulation of traffic on such provincial roads and for the preservation of such roads, but at the meeting of the Council on the 21st, June 1919, Mr. Karnick Krishnamurti Rao raised certain objections and the Select Committee have now considered it desirable to define the terms "public roads and places" as used in the Bill and have accordingly suggested this provision so as to restrict its scope to certain roads, etc., which are outside the jurisdiction of local bodies like Municipalities and District Boards, but the way in which the definition is worded does not make its meaning very clear and the limitation may reasonably be construed as applying only to roads, etc., which are declared public roads by the provisions of any law for the time being in force under sub-clause (*c*) and not to those referred to in the two previous ones. To make it clear that all roads vested in local authorities or private person or company should be excluded from the operation of the proposed Regulation, I am of opinion that the proviso should either be brought as a qualifying clause in the main definition or that it should be separated from sub-clause (*c*) and inserted as an independent proviso governing all the three sub-clauses. Next, Sir, I find that the term "local authority;" is defined in the General Clauses Regulation as meaning a Municipal Committee, District Board or other authority legally entitled to or entrusted by Government with the control or management of a Municipal or Local Fund and the definition as at present worded would bring within the scope of the Regulation all roads, foot-paths and cart-tracks and the like maintained by or running through the holdings of private persons provided the public have had a right of way over such roads, foot-paths, etc. But I do not believe that it was ever intended that we should interfere with foot-paths, etc., running through private holdings or maintained at private expense to afford scope for the harassments of raiyats at the hands of ill-paid and unscrupulous subordinate officials. As observed in G. O. No. 2540-48—P. 298 of 23rd September 1898, printed on page 248 of the Mysore Revenue Manual, it is in practice impossible and attended with great inconvenience and hardship to stop ploughing on either side of a long, narrow and meandering way and such ways will be ploughed up and sown with the rest of the field, though those interested will yet be permitted to exercise their right of way. The Revenue and Civil Courts may well be left to settle matters of this kind in the case of roads, etc., belonging to private persons and companies. I am emphatically of opinion that it is undesirable to make this Regulation which is practically an addition to the existing penal laws of the State applicable to such roads and places. I beg therefore to move the above amendment.

Sir, I beg to move that for sub-clause 2, the following shall be substituted.

"Places shall mean and include vehicle stands, embankments or ramps, and camps or refuges forming approaches to public roads, but not vested in any local authority or private person or company."

Sir, when moving the last amendment, I have already explained why it is unnecessary and undesirable to make this Regulation applicable to roads, etc., vesting in private persons and I believe the same arguments apply with greater force in the case of 'places.' In these matters, it is always undesirable to have a number of statutory provisions which are likely to be utilised by petty officials for tyrannising over ignorant persons. I therefore beg to move the above amendment.

MR. D. VENKATESAIYA.—I support the amendments as I find that there is no harm.

MR. K. SHANKARANARAYANA RAO.—Sir, I beg to oppose the amendment. The definition proposed by the Select Committee covers the various grounds urged by my friend Mr. Krishna Rao.

By the proposed enactment, it is not at all intended to interfere with the private rights of parties or companies in regard to the roads, bridges, etc., falling within the three heads referred to in the definition; and of the roads, etc., that may happen to be vested in private individuals or companies, it is only those over which the public have a right of way that are brought within the section. This has become necessary because, with regard to such roads, etc., over which the public have a right of way, the same standard of efficiency has to be kept up as in the case of other public roads maintained at public cost.

The object of using the expression, "not vested in any local authority" is merely to exclude those roads, etc., which are already under the direct control of the local authorities, such as Municipalities and Local Boards in respect of which adequate provision has already been made in the respective Regulations. The necessary power is vested in them to maintain the roads in a proper condition, and the object of the present enactment is to see that other roads, etc., in other parts of the country constantly used by the public, are also, as far as possible, maintained in an efficient condition. The Regulation will not come into effect in all parts of the State at once and sufficient safeguards can be provided under the rules to be framed. Under these circumstances, it is not at all necessary to adopt the amendments proposed by the honourable member.

Now, coming to the question of adding the words "mean and" between the words "shall" and "include", I may be permitted to make one observation. It is not usual to use both the expressions "mean" and "include" in one and the same definition. Only one of them is used according to circumstances. The word "means" is used in those cases where the expression sought to be defined has an extended meaning and it is intended to restrict it to some specified cases referred to in the definition. "Includes", on the other hand, is used in those cases where the word has more or less a peculiar connotation in ordinary parlance and it is intended to bring in some more cases within its scope. It is, therefore, not only unnecessary to use both the words "means" and "includes" in the same definition, but it may also become somewhat inconsistent to do so.

In regard to the 3rd clause of the proposed amendment though it may, at first sight, appear to deserve some consideration, it does not seem to be really necessary. Though some of the places referred to in the definition may happen to belong to private persons or bodies, it is absolutely necessary in the interests of the public using the highways, that the vehicle stands, camps, ramps, etc., should be adequately controlled and maintained in an efficient manner and up to a particular standard, to avoid danger to the members of the public. The wording now proposed by the Select Committee was deliberately adopted after a careful consideration of all the aspects of the case. I beg, therefore, to oppose the motion for amendment.

MR. A. R. BANERJI, C.I.E.—Sir, after the very clear explanation given by the Government Advocate on the point of legal interpretation of the phrases, I think the learned mover ought to be satisfied. There is no intention on the part of Government to usurp the rights of the private individuals or companies. The reference made by the learned mover to the opening speech of my learned colleague Mr. Raghavendra Rao when he asked for leave to introduce the bill, may give the impression that the scope of the Bill is to be strictly confined to provincial roads and no doubt that supposition gains support from the statement of objects and reasons which have also been published with the first draft of the Bill. The real effect of the Select Committee's proposal is to gain power in the interests of the public at large who have any occasion to use the roads over which they have got a right of way and to safeguard their interests as well as public interests, but in no manner whatever to usurp private proprietary rights over any road which happens to be a road belonging to a private individual or company. If the members will refer to clauses (p) and (q) of section (3) of the draft Bill they will also note that the intention of this legislation is to exercise certain authority over the owners of private land abutting the roads over which the public have a right of way; such as,

issuing of notice to call upon owners or occupiers to lop off branches of trees growing, cut and trim hedges, etc. So the whole object of this enactment is to safeguard the interests of the public rather than to interfere with private rights. Government will take care to see that all such rights are scrupulously safeguarded and assurance can certainly be given in that respect.

MR. H. KRISHNA RAO.—It is only by way of caution that I suggested the amendments. I take the assurance of the Government that they would not interfere with private rights and beg to withdraw my amendments.

MR. A. R. BANERJI, C.I.E.—Sir, I now beg to move that the Bill be passed.

MR. S. CADAMBI.—Sir, I second the motion.

MR. MATTHAN.—Sir, before the motion is put to vote, I beg to draw particular attention to one or two points in the portion printed in italics in clause 5 dealing with the arrest of offenders. It is said "if he refuses on demand of such officer..... which such officer has reason to believe to be false" and immediately afterwards "or if he does not reside in Mysore." I think there is something omitted in printing in connection with the latter portion. It must apparently be, "if he is a non-resident."

Then again, in regard to clause 4 as amended by the Select Committee, it is provided "all such fines shall be recovered in the manner prescribed in the Code of Criminal Procedure, 1904." In most other cases, it is not usual to make a provision like that, because it is provided in the General Clauses Regulation. But it is, however, a small matter.

MR. N. S. NANJUNDIAH.—Sir, there is also another point. In clause 5 as it is printed now, we find "name and residence." I think, it ought to be "name or residence."

MR. K. SHANKARANARAYANA RAO.—I agree to verbal alterations suggested. But in regard to the point raised by Mr. Matthan in regard to clause 4, I can only say that the object was to make the point clear. Sometimes questions arise as to the statute under which the penalty is to be levied. It is true that General Clauses' Regulation applies in regard to interpretation. But the point is only made clear here.

The motion was then put to vote and carried.

7. Bill further to amend the Mysore Excise Regulation, 1901.

MR. P. RAGHAVENDRA RAO.—Sir, at the last meeting of the Council on 29th October 1919, on the motion of my honored colleague, Mr. Hamza Husein, the report of the Select Committee on the Bill further to amend the Mysore Excise Regulation and the Bill itself were considered by the Council. As it has been found necessary to make certain verbal alterations in the Bill as amended by the Select Committee, I beg to move that the following amendments be made.

(i) In sub-clause (2) of clause 2 of the Bill, for the words "Between the second and the third paragraph," substitute the following words :—

"Between the third and the fourth paragraphs after the words 'No toddy shall be drawn from any tree'"

(ii) In sub-clause (3) of the same clause for the words "at the end of the fourth paragraph" substitute the following words :—

"After the words 'no distillery or brewery shall be constructed or worked'"

They are of a minor nature and may, I think, be accepted without any further discussion.

MR. M. A. NARAYANA IYENGAR.—Sir, I beg to second the motion.

The motion was put to vote and carried.

MR. P. RAGHAVENDRA RAO.—Sir, I rise to move that the Bill as amended be passed at a subsequent meeting.

MR. M. A. NARAYANA IYENGAR.—Sir, I beg to second the motion.

The motion was put to vote and carried.

8. Bill to amend the Mysore Village Courts Regulation, 1913.

MR. MIR HAMZA HUSEIN—SIR, the Bill to amend the Mysore Village Courts Regulation was read in Council on the 17th September 1918, and referred to a Select Committee consisting of Sirdar M. Kantaraj Urs, who was then in charge of the Bill, Mr. K. R. Srinivasa Iyengar, Rao Saheb Chennaiya, Mr. C. Narasimhaiya and myself. For one reason or another the Committee could not meet till March 1919, when Mr. K. S. Chandrasekhara Iyer took charge of the Bill and on his motion at the meeting of the Council held in that month, his name was substituted for that of Sirdar M. Kantaraj Urs. Subsequently, the change of office of some of the official members of the Committee necessitated a further alteration in its composition in October last. But there was hardly any time to arrange for a meeting of the new Committee, as the term of the Council itself expired on the first of the following month. A Committee for considering the Bill has therefore to be appointed afresh from the Council as now reconstituted and I beg to move that the Bill be referred to a Select Committee consisting of :—

MR. K. CHANDY,
MR. K. SHANKARANARAYANA RAO,
RAO SAHEB CHENNAIYA,
RAO BAHADUR M. C. RANGA IYENGAR AND MYSELF.

MR. C. S. BALASUNDARAM IYER.—SIR, I beg to second the motion.

The motion was put to vote and carried.

9. Bill to provide for certain matters in connection with the taking of the Census of 1921.

MR. C. S. BALASUNDARAM IYER.—SIR, I now rise to move that the Bill to provide for certain matters in connection with the taking of the Census of 1921 be read in Council. My task is rendered all the easier as this is a very non-contentious measure and the nature and scope of the Census operations are practically well-known to every person. As the members of this Council are aware, a Census is conducted in India once in every ten years and this operation falls due early in the next calendar year 1921. A great deal of preliminary organization has to be completed in time before the final Census is taken and this explains the reason why certain formalities are proposed to be dispensed with and the leave of the Council sought to pass this measure at this sitting. In a matter like this legislation here has to be co-ordinated with legislation in British India and as the Indian Census Act was passed only a month ago, the Council will see that no time has been lost in initiating legislation here. Under Rule 32 of the rules of this Council, the sanction of the President has been obtained to publish this Bill in the Gazette and copies of the Bill thus published have, I presume, been placed in your hands already, thus taking us over one of the initial stages of this measure. We are now therefore at the next stage in which the Bill has to be read in Council and its general provisions discussed.

Coming to the Bill itself, you will be relieved to hear that it follows the Bill of 1910 in almost all matters and the changes that have been made are extremely few. This Bill also follows the Indian Census Act passed by the Government of India on the 25th of February 1920 just a month ago.

The principal change that has been made in this Bill as compared with its predecessor ten years ago is in clause 4, sub-section (*b*) and section 9 relating to the collection of statistics in regard to industrial and commercial concerns. In the Bill of 1910 such concerns employing less than 20 persons were exempted from the obligation to furnish certain information with regard to industries and trade. But in the present Bill it is proposed to obtain such special information in regard to all industrial and commercial concerns employing not less than 10 persons. The more detailed inquiry which will thus be made into industrial and commercial occupations is quite in accord with the greater and growing importance attached to the development of industries and trade and the conditions of industrial workers and I hope that the Census figures will give us a good deal of valuable information on these aspects of economic activity.

Another addition is to call into requisition the services of members of Village Panchayets, Taluk and District Boards and members of Municipal Councils to render such assistance as may be necessary in conducting the Census.

The third alteration is intended to provide a penalty for the improper and unauthorised disclosure of any information received for purposes of the Census.

I shall not detain the Council by explaining the scope and purpose of the different sections of the Bill. The printed Bill is in the hands of the Members and there is nothing in it which requires any detailed explanation beyond what I have already said in regard to the few changes that have been made. The Bill, as I have already said, is non-contentious in its character and I trust that it will meet with the unanimous acceptance of the Council. The further motions in regard to it that stand in my name refer to the necessary formalities to suspend the rules of business and pass the Bill at this sitting. I trust that the Council will accept all these motions in due course.

MR. K. CHANDY.—SIR, I beg to second the motion.

The motion that the Bill be read in Council and the motion that the rules of business be suspended to allow of the Bill being considered and passed were put to vote and carried.

MR. C. S. BALASUNDARAM IYER.—SIR, I beg to move that the Bill be considered.

MR. K. CHANDY.—SIR, I beg to second the motion.

The motion was put to vote and carried.

MR. C. S. BALASUNDARAM IYER.—SIR, I beg to move that the Bill be passed.

MR. K. CHANDY.—SIR, I beg to second the motion.

The motion was put to vote and carried.

DEWAN.—Let us now go on with the resolutions, reserving the Income Tax Bill to the last.

IV. RESOLUTIONS ON MATTERS OF GENERAL PUBLIC INTEREST.

I. The resolution which stood against the name of Mr. Hosakoppa Krishna Rao was as follows :—

Resolution regarding vacancies in the Legislative Council.

"This Council recommends to the Government that when a vacancy in the Council occurs, either by death or resignation or continued absence or by any other means, such office shall not be kept vacant, but shall be filled up at the earliest opportunity by an election or nomination as the case may be."

"As at present a vacancy has occurred by the unfortunate death of Mr. M. Basavaiya, B.A., B.L., this Council recommends that the vacancy so caused may be ordered to be filled up by a bye-election being held at the ensuing Birthday Session of the Representative Assembly as the late Mr. Basavaiya was elected by the Assembly."

MR. H. KRISHNA RAO.—SIR, I beg leave to move the resolution that stands in my name. No argument is necessary to convince this Council of the necessity of such a resolution. Perhaps the Government did not contemplate at the time of framing the Regulation that such a necessity would ever arise. It has however unfortunately arisen now. A provision has therefore to be made in the event of similar eventualities occurring. I therefore move that in the event of any vacancy occurring in the Council either by death or by resignation or by taking office or by consecutive absence or by whatsoever means, such a vacancy shall not be kept vacant but shall be filled up, as the circumstances of the case warrant, either by nomination or by election. In the present case the vacancy has occurred by the sad death of Mr. M. Basavaiya which we all deplore. He was elected so far back as October last, but he did not live to see himself nominated to the Council. Had he but lived he would have certainly been here, but cruel death decreed otherwise. He was, however, not nominated. It could not therefore be technically said that his office fell vacant. It was not filled up at all. It therefore stands to reason, that the next member of the Representative Assembly who got the highest number of votes, whoever he may be, must be nominated to the Council. That will save all the trouble of a bye-election, which in the present case has been rendered, at all events superfluous. I trust that this simple resolution will surely commend itself to the Council.

DEWAN.—The speech is inconsistent with the resolution itself.

MR. H. KRISHNA RAO.—If there is any objection to the alternative I proposed, the Council may consider the resolution itself.

MR. M. SUBBIAH.—I beg to second the resolution.

MR. MIR HAMZA HUSEIN.—The attention of the member is invited to Rule IV of the Rules for the election of members to the Legislative Council by the Representative Assembly which runs as follows:—

"When any of the members so nominated has to vacate his seat by efflux of time under Section 6 of the Regulation, an election shall be held for filling up the vacancy in accordance with these rules at the annual session of the Assembly either immediately preceding or immediately following, the date of such vacancy, whichever is nearer. In case of a vacancy occurring otherwise than by efflux of time, an election to fill up the vacancy shall be held in accordance with these rules, at the next succeeding session."

It will thus be seen that provision has already been made for filling up the vacancy that may be caused amongst elected members by that constituency by means of a bye-election at the next session of the assembly. The first part of the proposition of Mr. Krishna Rao, so far as it relates to vacancies among this group of elected members, is already covered by the rules. But there are three other classes of members composing the Legislative Council which come also within the scope of his resolution, the purely nominated members official and non-official, and the elected members by the district electorates. I do not think that Mr. Krishna Rao is very keen about the vacancies amongst the purely nominated members being filled up at once, because being an elected member he would like to have the number of this class of members kept as low as possible so that the voice of the elected members may be more potent than it would otherwise be. But this matter rests entirely within the discretion of the Government so long as the provisions of Section 3 and Sub-section (2) of Section 4 are complied with. But the member may be quite sure that the Government will not neglect their interests by keeping open the vacancies that may be caused among the purely nominated members. As regards the vacancies amongst the group of elected members that may be sent up by the district electorates, it is under consideration to frame a rule upon the subject similar to Rule IV of the Rules for the election of members by the Representative Assembly.

The second part of Mr. Krishna Rao's proposition relates to the filling up of the vacancy caused by the premature death of Mr. Basavaiya. The rules upon the subject are not so clear. Rule IV of the Rules for the election of members by the Representative Assembly just now read over to you relates only to cases which occur after nomination. Mr. Basavaiya died before he was actually nominated to the Council. No doubt his election to the Legislative Council by a large majority at the last session of the Representative Assembly was announced to the Assembly but that is not, technically speaking, nomination. So the question before the Government was whether the next man in the list of candidates who secured the largest number of votes at the last election by the Representative Assembly could not be nominated in the place of the deceased member. Government after careful consideration and after consulting their Law Officer have resolved to carry out the spirit of the rules and to hold a bye-election at the next session of the Assembly to fill up the vacancy caused by the death of Mr. Basavaiya.

MR. H. KRISHNA RAO.—I accept the assurance of the Member and I do not press the resolution.

The resolution was by leave withdrawn.

11. The next Resolution which stood against the name of Rao Bahadur M. Shama Rao was as follows:—

Resolution regarding the appointment of a Committee to investigate the progress of co-operation.

"This Council recommends that the Government may be pleased to consider the question of appointing a Committee of Co-operation on the line of the Maclaughlin Committee, for the investigation of the progress of co-operation, especially agricultural and industrial co-operation in the Mysore State from the time of the inception of the movement till now, the drawbacks found in the way of its spread more largely and the additional facilities needed to improve the working of the existing societies, especially rural societies including the question of the pressure of indebtedness on lands and the obstacles created in the way of efficient production by minute fragmentation of agricultural holdings both recognised and unrecognised."

RAO BAHADUR M. SHAMA RAO.—SIR, I thank the Government of His Highness the Maharaja for nominating me as a member of the Legislative Council as thereby I have gained an opportunity of bringing forward this resolution on the appointment of a Co-operative Investigation Committee for the benevolent consideration of the members of this Council. There was a time when it was with very great reluctance that I took up the post of the Registrar of Co-operative Societies when it was first instituted by Government in the year 1905. The scheme of Agricultural Banks which were really Co-operative Societies under another name and which had been generously instituted by His Highness the late Maharaja Sri Chamarajendra Wodeyar of revered memory had not, for one cause or another, fulfilled the expectations of success formed of the scheme and the Co-operative Regulation passed in 1905 was expected to share the same fate. Fortunately in His Highness the present Maharaja we had a born Co-operator, one who realised the beneficient potentialities of co-operation long before any results could manifest themselves and but for whose ever watchful care, personal support and financial help the development of Co-operation would not have been what it has now attained to.

SIR, as years have gone on, I have come to believe that among all the beneficient measures initiated in India after the advent of British rule, the future historian of India will give a very high place to the Co-operative movement. Ever since its inauguration in British India, the Supreme Government and the Local Governments have manifested extreme solicitude in its spread with the result that at the close of the year 1918-19, there were altogether 30,000 Societies working in different parts of the country with a membership of 13,000,000 and a working capital of a little over Rs. 15,00,00,000. The loans granted amounted to the extent of Rs. 6½ crores and the profits made to 46½ lakhs of Rupees, and the reserve fund built up amounted to nearly a crore and a half of rupees. These huge totals are as Mr. R. Ranga Rao, our present Registrar of Co-operative Societies, has remarked in the last number of the Mysore Blue Book Journal, somewhat difficult to comprehend, and the progress made can be more easily understood if I give the averages that Mr. Ranga Rao has given. For the whole of India, there was at the close of 1918-19 one society for every 8,022 of the population. It had a membership of 46, a share capital of Rs. 875, and a working capital of Rs. 5,120. It gave loans to the extent of Rs. 2,411 and made a profit of Rs. 164. The reserve fund accumulated by it amounted to Rs. 449. In our own State, the average population per Society was 4,709 and the average membership per Society 68 with a working Capital of Rs. 5,757 per Society, and a reserve fund of Rs. 360. The average loans per Society amounted to Rs. 4,400 and the average profits to Rs. 274.

So far, we may congratulate ourselves that Mysore has held a prominent place among the different Provinces and States of India and that a scrutiny of the figures relating to the annual rate of progress indicates that there is no relaxation of effort to make co-operation as successful in Mysore as in British India, if not more. If any proof is needed to show how useful the co-operative movement is, and once successfully planted, how strongly it can take root, I have only to mention that in Russia, with all the horrors of the recent great War and with all its unsettlement, the co-operative movement was able to establish a University of its own in that country. I may also cite that the Supreme Council of Allies announced a few days ago that while willing to raise the blockade of Russia, they could consent to trade being opened with that country only through Co-operative Societies. In short, it appears to me that the sphere of co-operation is as wide as the sphere of economic life itself and the more widely it is spread, the larger will its benefits grow in ever-widening circles. I may also refer though this occasion may be considered not a fit one for the purpose, to the incentive it is sure to give to the public life of the country. Our President referred in his opening speech to a feature of the last district elections for membership to this Council. The figures published in the official Gazette show, as he remarked, that out of a total of 21,953 voters, only 5,694 came forward to vote, a number slightly over a fourth of the total number of voters, while almost three-fourths could not be induced to go to the place of polling. This unfortunate indifference, notwithstanding the plausible explanation given by Mr. Hosakoppa Krishna Rao, may be largely attributed in Mysore as in British India to the extinction of the old communal village life. But there is every hope that with the experience gained of the working of Co-operative Societies, there will be a revival of the old communal spirit both in rural as well as in urban areas and

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that co-operation will be a powerful ally, in the future, in making the new Reform Scheme a success in British India.

Already Lord Willingdon and the Legislative Council in Madras seem to have realised this aspect also of the co-operative movement and have allowed a provision of two lakhs of rupees in the Budget for the next official year and within the next two years a very large number of Societies, about 4,500, especially Agricultural and Industrial, for which the Registrar has a scheme ready, are to be established. A sum of 4½ lakhs of rupees has also been provided for loans to Co-operative Societies for house-building in Madras. I am sure that we in Mysore will not like to fall behind our neighbours and be ungrateful to the memory of Sri Chamarajendra Wodeyar, in whose time, long before co-operation as a means of affording relief to the rural agriculturists was thought of in British India, the scheme of Agricultural Banks, which, as I said, are only Co-operative Societies under a different name, was instituted. It is supremely necessary therefore for us to strengthen the hands of the Registrar, and of his co-adjutors and enable them to take a forward stride along with their brethren in British India.

The world-shortage of food supplies, of the raw materials and appliances of industry and the depreciation of currency have made the problem of normal economic life very acute for almost all classes of people and it has become incumbent that any solution which holds out a prospect of affording relief even to a small extent should be readily grasped. The high prices of food grains are considered to largely benefit the cultivators of lands, but it must be conceded that to the extent they are purchasers of articles other than food grains, this benefit is discounted by their having to pay higher prices than before in common with others. Further, the position of the rural borrowers when they happen to have contracted to pay interest in the shape of grain instead of in money, is really to be deplored. I am not one of those that subscribe to the belief that money-lenders are all blood-suckers ready to pounce upon their victims and suck their blood to the last drop. On the other hand, it may be accepted that in a very large number of cases they show consideration to the borrowers, though forced at times to make up for their losses by demanding higher rates of interest than they could have done if all their advances readily came back to them according to the terms of their bonds. Still it must be said that the lot of a borrower from professional money-lenders is not usually an enviable one and in these days though the prices of grains are abnormally high, it cannot be said that the rural borrower who has contracted to pay interest in the shape of grain has all the benefit of the ruling high prices to himself. I need not say that the rates of interest payable in money have also increased and attempts at commutation of grain-rates to money-rates are not likely to much benefit the rural borrowers. Taking the statistics of the Registration Department, I find that the number of mortgage deeds in the year 1918-19 was even higher than in the preceding year, 53,153 against 51,461 valued at Rs. 1,36,00,000 and Rs. 1,34,00,000 respectively. It is doubtful therefore, whether the additional rupees that the high prices are supposed to have given to the agriculturist have really gone towards the reduction of his debt. To add to the difficulties of rural agricultural economy, there is constant sub-division of lands, thereby causing much wastage of labour and weakening the incentives to efficient cultivation. No doubt the Government have laid down certain minima of extent for these sub-divisions but it is within the knowledge of all that the Shanbhog still continues to be in the confidence of the raiyats of his village and that through his help many unrecognized and unrecorded divisions take place almost every day. Dr. Coleman, the Director of Agriculture, has already spoken strongly on the disadvantages resulting from too frequent fragmentation of cultivable lands and I believe that an efficient Co-operative Society in a village will be able to greatly minimise the evils of a system of equal partition of agricultural lands, by inducing combination among contiguous landholders and thereby enabling them to adopt better methods of cultivation and to raise larger and better paying crops. We have next a very large number of artizans and smaller handicraftsmen who are being driven more and more to become agricultural labourers on account of outside competition and there is also the large class of small traders. In these classes, co-operation may be said to be still almost incipient and yet its advantages to them cannot be exaggerated. We have also to consider the interests of a few other classes who own no lands and whose incomes are derived either from their professions or from the appointments they hold in

Government or other offices. The life of these people, especially of the middle-class people who are forced to live in towns like Bangalore and Mysore with inelastic incomes has become very hard and in their case also relief is necessary. The Punjab Government has already given an increase of 20% to the salaries of all non-gazetted officers and in Madras a committee is sitting to revise the salaries of officials. Whatever relief may be given in the shape of increases to salaries, with the growing cost of the necessaries of life and with ever-growing house-rent, the benefits of such relief cannot be lasting; and a Government which suffers equally with the people in as much as its revenues are fixed in rupees, by the depreciation of the currency cannot be expected to show ready practical sympathy everytime there is a complaint of hardship from rising prices or crowded house-accommodation.

How far co-operation can be helpful to solve these problems of life it appears therefore necessary to investigate carefully and broadly. It is true that we have the reports of certain investigations made in British India and that we can benefit by them. Sir, I quite agree that to a certain extent, these reports are valuable to us in as much as they afford general directions for our guidance. I cannot however accept them as affording all the information that we want and as obviating the necessity of all local investigations. For instance, we have the report of the Maclaughlin Committee on co-operation which may be said to be a monumental work, useful for the guidance of all co-operators. This report is, however, based on investigations made in British India and on information supplied by the witnesses examined with reference to the conditions prevailing in their own parts of the country. Some members of the Maclaughlin Committee paid a visit to Bangalore also but it was a hasty visit and my friend Mr. M. A. Narayana Iyengar, who was the Registrar of Co-operative Societies at the time and whose unwearied zeal greatly popularised the movement, will bear me out when I say that a cursory talk for an hour or two with a few of the prominent Co-operators of Bangalore at a meeting arranged in the Registrar's Office was all that took place, and that none of those assembled at the meeting ever took the meeting with any degree of seriousness.

Yet the investigation of these problems is, as I have said, urgent and pressing and hence it is that I have taken the liberty of proposing to this Council the desirability of recommending to Government the appointment of a Committee of investigation. This investigation should in my opinion apply equally to the human material needed for the efficient organization and supervision of the Co-operative movement as to the conditions needed for the successful development of industrial, agricultural and other forms of co-operation, to the reduction of the pressure of indebtedness on agricultural lands, the establishment of Societies for small traders and artizans, for supari-garden owners in the Malnad, and for cocoanut-growers in Tiptur and other parts, to the supply of dairy and other products, to the establishment of Co-operative Stores for the benefit of the consumers, to the forms of Co-operative Societies best suited for the Malnad raiyats, to the problems of housing so as to relieve overcrowding in the existing houses and so as to arrest future insanitation in the new houses which may come into existence. In fact, there are no spheres of life, as I have already said, where co-operation cannot be used as a powerful instrument for the uplift of the people living in such spheres; but at the same time it must be acknowledged that the problems confronting those who work in the co-operative field are some of the most difficult problems that their brains can tackle and it behoves us to provide ready to their hand every kind of assistance that can possibly be devised. Mr. Chandy, the present Revenue Commissioner will, I am sure, confirm my statement as to the difficulty of several of the co-operative problems for, during the short period that he was Registrar, he signalized his office by starting an investigation as to the actual relief that the Co-operative Societies working till then had afforded to their members. I do not know whether this investigation is being continued or how far it has reached. There can be no denial, however, as to the usefulness of the inquiry instituted by Mr. Chandy. The inquiry indicated that while the amount of the indebtedness of the persons examined remained practically the same, the conditions attaching to that indebtedness altered materially for the better. Out of the 20 lakhs and odd due to money-lenders, nearly half, it was found, had been paid up and that in place of the high rates of interest and of the onerous conditions under which advances had been made, reasonable rates of interest and easy conditions of repayment were

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found substituted. It was also found that the borrowers after they became members of Co-operative Societies had ready means of carrying on their agricultural operations and that they had actually increased their assets from 91 lakhs to 1071 lakhs. It should be remembered however that this investigation related to only 180 out of the total of 1,097 societies and to 8,200 members out of a total of 81,168 members. It will be no surprise to me if the present Registrar has fought shy of continuing an investigation which involves stupendous labours and which needs a very efficient, well-trained and adequate staff of officers to arrive at fairly correct results. Mr. Chandy's investigation, however, goes to illustrate the truth of the Kannada proverb that while we have butter in hand we are wandering to find ghee. If only the rate of interest could be reduced by even a single per cent, if only we could increase the yield by a single seer per gunta of land, there will be a large accession to the rural wealth of the country and money can be easily found for not only education but also for other improvements.

If the Government are pleased to accept the recommendation now made for the appointment of a Committee, the Committee should be able to visit all the important centres in the State, examine witnesses, see how far the existing Co-operative Societies fulfil the functions assigned to them and what impediments stand in the way of a larger and more rapid development of these societies. The annual conferences of co-operators arranged by the Registrar both at District Headquarters and during the Dasara at the Capital have already afforded some indication of the lines on which the investigation should proceed. But pressed for time as such conferences are, their deliberations and conclusions lack authoritativeness and can at best be taken only as mere data for further investigation. A deliberative body of persons, possessing expert knowledge and adequate training, who can approach their subjects with fresh minds and without any pre-occupations will, we may feel certain, be able to conduct their investigations in a thorough manner and produce a report the value of which cannot be gainsaid both as a record of reference as well as for inspiration for the wider spread of this movement in particular parts of the country or in particular spheres of activity. At present, for want of such a report dealing with the actual conditions of the Mysore State and embodying suggestions as to the lines on which societies started should be conducted, it has been found that many persons who are really in earnest to associate themselves with the Co-operative movement are forced to hold back on account of their inability to obtain a clear vision as to their procedure when they enter the co-operative field. I may also say that the appointment of a Committee, the visits of the members to the several parts of the State, their examination of witnesses and the open manner of their investigations, will go a very great way in arousing public interest and arresting public attention which in themselves will serve as great incentives to the more rapid growth of the Co-operative movement.

With these words, Sir, I beg to commend my resolution for the kind acceptance of the members of this Council and conclude with the hope that each one of us, though it may be only like the humble squirrels which are popularly said to have each contributed a few grains of sand for the building of the great bridge over the Ocean that Rama is said to have built to cross to the Island of Lanka, will contribute his share of support to build up the co-operative structure which His Highness the Maharaja has so anxiously started for the benefit of his subjects.

Rao Bahadur M. C. Ranga Iyengar.—I second the motion.

Mr. D. Venkatesaiya.—I support it.

Mr. M. Ramachandra Rao.—I also support it.

Mr. M. A. Narayana Iyengar.—Sir, with your kind permission I also rise to support the resolution so ably put forward by my friend Mr. M. Shama Rao. We owe it to him that at the beginning of the Co-operative movement, the office of making the movement a success in Mysore fell upon an officer of his stamp. It was in 1905 that the Co-operative Regulation was introduced into Mysore, and Mr. Shama Rao was appointed the first Registrar. The progress that has been achieved within the last 15 years is well known and is already a matter of history.

The latest report of the Registrar of Co-operative Societies tells us that we have now 1,233 societies with 84,000 members, 70 lakhs of rupees of working capital and 4½ lakhs in reserve fund. Government this year spent upon the movement

Rs. 91,613 in the shape of supervision, inspection, and establishment, and the societies themselves spent Rs. 3,31,740 on inspection, audit and management. These facts prove the vast progress the co-operative movement has achieved in Mysore. Comparative figures also go to show that Mysore does not lag behind British India in point of success. Our societies number, per population, more than in British India where there is one society for every 8,000 persons, whereas here we have one for every 4,000. Similarly, in the co-operative spirit also I do not think that Mysore yields to any other part of British India. In matters of co-operative propaganda, we have also been doing very well. Last year's report shows that there was one Provincial, seven District and sixty Taluk Conferences. As regards supervision and audit by the societies themselves also, the report shows that 278 societies were inspected by Central Banks, thus taking off the responsibility of the Government in this matter, to a certain extent, and devolving it on the public. Granting all this, the fact remains that we have great scope for further progress.

The mover of the proposition had a fling at the way in which the Maclaughlin Committee studied the Co-operative movement in Mysore. But their terms of reference and report related only to British India and it was by a stretch of courtesy that the British Government was good enough to send that Committee over here to study the conditions in Mysore; and I believe the Government was glad for that investigation which was as good as it could possibly be under those circumstances; and we are proud that that Committee went away well satisfied with the progress of co-operation in Mysore and wrote like that also in their report. But it must be said that the necessity for this survey of co-operation as it stands in Mysore to-day is certainly very urgent and very great. As I already pointed out, although the progress that we have made is immense there are directions, as Mr. Shama Rao has already observed, in which further progress is absolutely essential, namely creation of Agricultural and Industrial Co-operative Societies and provision of facilities for increasing the capital available in the existing Credit Societies. The capital that we have, is very small, compared with that in British India and the reason for that is not necessarily the greater poverty of the Mysore raiyat. We have to-day 70 lakhs of rupees invested in these societies, or roughly, a sum of Rs. 100 is available for each man for borrowing. This I take as the principal reason why there is a great demand for a Central Agricultural Bank; and that proper provision for agricultural credit has not yet been sufficiently made is at the bottom of the fact that everybody is demanding the formation of large Agricultural Banks or a large landed Estate Bank. Whatever it is, the need for capital, the need for organisation, the need for a study of existing conditions as far as we have gone, and the need for strengthening the existing positions wherever they are sound and deleting those which are not making for progress is certainly urgent and a survey of our present position thoroughly opportune. Under these conditions, I beg to say that the proposition itself is a very sensible and sober one which deserves a careful consideration of the Government and its early sanction is well calculated to help to build up a movement which has done much and which is full of promise for the raiyat and the artisan.

MR. K. CHANDY.—SIR, as Mr. Shama Rao has referred to what I did during the short period that I was Registrar, I have much pleasure in speaking a few words on the proposition. It seems to me that the investigation that was started by me has got to be developed as proposed by Mr. Shama Rao. Among the many urgent things that are necessary, I would mention only a few:—The housing problem, Sir, is a most urgent one both in the cities and in the villages. We have been considering the question of housing the middle classes and housing the poor and housing the Panchamas; and I am unable to find any solution for the problem except on the co-operative basis. How this can best be done and how we can achieve it on modern lines, is a matter that only a Committee could investigate with thoroughness. Then, again, there is the question of profiteering. Dr. Slater and several other eminent economists have said that the only way of meeting this problem is by a system of co-operation. Those that have experience of Co-operative societies in their actual working know that the societies that are best managed are always those in which they have got at their head or as Secretaries, some keen business-man or a lawyer or a merchant who knows business. I beg to compliment those public-spirited men on the work that they are doing. We would do well if

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we could manage to capture the brain and intelligence of such men much more largely and make them use some portion of it for the benefit of the less advanced people. This also is possible only on co-operative lines and this is another way in which the proposed investigation can be made to be exceedingly useful. Then again there is the question of indebtedness in the Malnad. That also can be investigated by a Committee as has been suggested already. In fact, it is the opinion of those who are in a position to judge, that unless we develop the co-operative principle on a much larger basis than exists already, it will be impossible to meet the problems that are arising now. Mr. Matthan, for instance, will bear me out when I say that although he was quite prepared to give all the rice that he got from Burma to Co-operative Societies, they were not able to take it and, as a result, in spite of the control that we have exercised, there has been a great deal of profiteering, and a great deal of profit to middlemen. That can be avoided only if we devise methods by which many more men with brain power can be got into the Co-operative movement. It has often happened that when a Co-operative Society is fully developed, the sowcar of the locality himself becomes a member thereof; and it might be possible that we can so develop the societies as to induce some of the merchants to become members and use some of their brains for the movement. It seems to me therefore that the problem is a most pressing one and some considerable sum spent on an investigation of the lines on which co-operation might be developed will be exceedingly valuable for the State. I have therefore much pleasure in supporting Mr. Shama Rão's motion.

MR. P. RAGHAVENDRA RAO.—SIR, the resolution moved by Mr. Shama Rao has not only received the support of the non-official members but also some of his successors in office, who have spoken from experience. But as regards the constitution of the Maclaughlin Committee and all that, I may be permitted to make one or two observations for the information of the House.

The Maclaughlin Committee was appointed with a view to examine the development of the Co-operative movement throughout India as a whole with the object of introducing uniformity of development in as many directions as possible without concerning themselves with matters of purely local improvement. Mysore was also included in the survey of general conditions made by the committee.

The work proposed for the committee suggested by the mover will be far more comprehensive in character than that on which the Maclaughlin Committee was engaged, as the latter did not include such questions as Agricultural and Industrial Co-operation, indebtedness on lands and fragmentation of agricultural holdings. Before undertaking an enquiry into such a wide range of subjects, Government consider it desirable that the movement in Mysore as developed on existing lines should be subjected to a careful examination in order to see how the standards set up by the Government of India Committee have been attained and I am sure the mover of the resolution, as well as his able supporters, will be glad to learn that the Registrar is at present engaged in the preparation of a report on the subject. The report will be published as soon as it is ready.

In the meantime, I am sure it will be pleasing to the learned mover of the resolution and his supporters to learn that the Government accept the resolution and are prepared to take all the necessary steps in that direction.

RAO BAHADUR M. SHAMA RAO.—SIR, I thank the Government for the information now furnished and I am sure that if the investigation proposed by me is carried on, it will give a great incentive to the Co-operative movement in Mysore.

111. The next resolution which stood against the name of Mr. Mahomed Abbas Khan was as follows:—

Resolution regarding the construction of 100 houses for the poor.

"This Council recommends that the Government of His Highness the Maharaja of Mysore will be pleased to accord sanction for the construction of 100 houses for the poor during the current year in the City of Bangalore to be let out to the poor on the hire-purchase system."

MR. MAHOMED ABBAS KHAN.—SIR, in moving this resolution I beg permission of the Council to say a few words to explain the necessity for housing the poor in the City of Bangalore.

It has come to the knowledge of one and all of you that the recent commercial and industrial developments in this capital city have attracted many people from

outside, and thus caused an appreciable increase of population, consisting of merchants labourers, artisans, coolies and others. This has resulted in the over-crowding in the heart of the city, making it highly congested and very insanitary. It is our sad experience that influenza and plague have broken out in all their vigour in these localities and no better proof can be given to bear out my statement than the heart-breaking figures of the victims to these dire diseases.

There is no doubt that the Government in their earnest desire to improve the city have laid out extensions from time to time in several directions. But it cannot be disputed that all these extensions have benefited only the rich and not the poor. As an instance, I may state that the sites even in the new extension to the east of the Fort road to Basavangudi have been purchased by the rich people at exorbitant prices. People of limited means have had absolutely no chance of securing any of them as the prices in the competition went beyond their limit.

Of late years another phenomenon is observable in this city. Owing to the influx of outside merchants who have to a large extent captured the Bangalore market, many buildings in the streets and by-lanes have been and are being daily converted into shops, thereby reducing the number of dwelling houses. Moreover, these merchants while trying to secure houses for their families and their adherents have so much enhanced the rents that the poor old occupants are obliged to quit them. Many labourers; especially the mill hands and the Tamil coolies, whose number is daily increasing are ever ready to occupy every bit of available space in the old city and have thus accelerated the process of overcrowding in congested localities. These altered conditions have increased the sufferings of the poor people for whose benefit I have moved this resolution.

Our attempts to induce capitalists and philanthropic gentlemen to build houses for the poor have so far been barren of any result. The Municipality, with all its resourcefulness, has not found it practicable to offer any relief to them. Our hopes are, therefore, concentrated on the benign Government for the sympathetic treatment of this pressing problem.

Having thus dealt with the necessity for housing the poor, I may now be permitted to describe what I mean when I say *poor people*. In my opinion, they come under 3 classes :—The poorest, poorer and the poor.

FIRSTLY—*The poorest*. This includes the slum of the society whose average income may not exceed Rs. 10 per mensem. For these, houses of the lowest type will have to be provided for, the total cost of which may not exceed Rs. 300 each.

SECONDLY—The next, whom I call *the poorer*, includes those whose monthly income may not exceed Rs. 20. For these, houses of a better type costing about Rs. 500 each are needed.

THIRDLY—*The poor*, embraces those whose monthly income is not above Rs. 30. These require houses of a tolerably decent type, which shall not cost more than Rs. 1,000 each.

It is this last class that I am at present concerned with and it is this class which is really suffering the hardship inasmuch as its members cannot associate with the other two classes who are accustomed to live in huts or similar dwellings. Nor can this class afford on account of their limited means to secure houses in localities occupied by rich people.

I therefore propose, as a first step in this direction to provide during the current year 100 houses costing Rs. 1,000 each for this class.

These houses are to be constructed under the Municipal agency and leased out to the deserving poor on a hire-purchase system whereby the lessees may become the owners in the course of 10 to 15 years, and the Government may recover the capital together with nominal interest.

I therefore beg to place this resolution of mine for the acceptance of the Council.

MR. B. V. RAMASWAMI CHETTY,—SIR, I beg to second the motion and in doing so, I wish to say a few words. I am at one with the mover in requesting the Government to take up this question. The details of the scheme, however, should be left entirely to Government. The problem has first to be seriously considered by the Municipality in all its bearings. Some rich people came forward with a suggestion that they would construct houses at their own cost provided the Municipality gave them sites. Some gentlemen made definite promises in this regard and

these were recorded in the resolutions of the Municipality. But somehow, the matter fell through at that stage. The question was again taken up by the Municipality in all seriousness but unfortunately, the matter was dropped. It has now come up before this Council in another form.

I dare say the Government are not unaware of the fact that Bangalore City has become largely congested. In fact, it is the most congested city in the State. Many factors have contributed to this state of things. Bangalore City is a more central place commercially, it has already a very large population, strangers flock to it from many places and they flock to it not with the object of visiting it and going away soon, but with the full determination to settle down there. For all these reasons, the poor people have suffered and are suffering. They suffer for want of accommodation. Every inch of space available is taken up by the middle classes at higher rents. In this view, I endorse every word that fell from the mover. Unless other members of this Council support the motion and impress upon the Government the urgent need for action in the matter, I do not believe that Government can interfere. I therefore appeal to the other members for support.

MR. ABDUR RAHMON.—With your kind permission, Sir, I should like to say a few words in this connection. To my mind, it appears that there is a peculiar appropriateness in Mr. Mahomed Abbas Khan and Mr. B. V. Ramaswami Chetty moving this resolution. We cannot forget the fact that the former is the Vice-President of the Municipality and the latter a long standing Councillor. The resolution is, however, I am sorry to say, delightfully vague. I say so, because the resolution does not say to whom the sanction should be accorded.

The Municipality has got more than enough funds at its disposal and probably Mr. Mahomed Abbas Khan, who is also the Vice-President of the Municipality, seeks sanction to build houses out of that surplus amount, or is sanction sought to be accorded to some private philanthrophic body whose heart throbs for the suffering of the poor? Or is it a mandate that should go to the Registrar of the Co-operative Societies to form building societies?

I have already stated that my friend the mover is the Vice-President of the Bangalore Municipality. I am pained, Sir, to have to say, and I am obliged to say it with the greatest reluctance, that the Municipality of Bangalore had in their possession vast extent of land and they could have easily demonstrated their service to the poor by solving the housing problem. They, however, let slip that splendid opportunity; gambled with the sites; sold them at fancy and fabulous prices; helped the capitalists in and outside Mysore; elbowed the poor and now come forward with this resolution to show their anxiety to the poor. The resolution is excellent in itself and none would object for housing the poor. What are the means and the methods that should be adopted for creating 100 houses? Are 100 houses sufficient for a city like Bangalore? Or are such 100 houses to be built every year?

There is yet ample space left vacant in the city which can be built upon. I would venture to say that there should be no houses in the cities whose compounds exceed double the area of the built portion. Such compounds must be assessed.

We do not want to hear treatises on house building from Sir Horace Plunket or from Mr. Savage. We are all aware of the philanthropy of house building; but the difficulty is—conditions vary. What goes on in England and Ireland is not applicable to India and Mysore, where a Hindu, a Christian and a Mohamedan can never be clubbed together in the same compound though in social and political matters they are the best friends. Anyhow there is considerable difficulty of solution and I am only sorry once again to have to remark that the Bangalore City Municipality ought to have demonstrated their love to the poor a little earlier. At any rate I am rather thankful to my friend, the mover, for having brought this resolution now at least.

I do not like to say much on this resolution as it is very vague. It does not say who the poor are and for whom the houses are meant. At this rate the whole Province consists of the majority of the poor; why should the city alone be benefited at the expense of the general tax-payer? The mofussil people also suffer for want of houses. In Mysore houses are destroyed and new houses do not spring up as rapidly as the destruction is going on, with the result that the poor people are put to considerable inconvenience and annoyance. For instance, in Tarikere there is a great demand for houses from officials as new offices are being created there, such as Special Magistrate's Court, Assistant Commissioner's Office, Forest Office, Railway Offices, etc.

Sir, the Government are now amending the Municipal Regulation. There is ample opportunity of providing legislation to compel the Municipalities to solve this housing problem. Let the principle be extended to all the Municipalities and other areas as well, wherever there is opportunity of serving the poor.

Anyhow considering from all aspects and from all standpoints, I come to the conclusion that the resolution is very vague and as such does not commend itself to us.

MR. M. SUBBIAH—SIR, the Municipality had a very good chance of providing land for these poor houses. Although a proposition was brought before the Council to provide sites for poor people in the new extension, it was thought that the principle of the survival of the fittest should hold good in the city. They were not in favour of helping the poor but were bent upon making money. While the Municipality could not realise their responsibility and provide for the houses of the poor, the Government are not justified in spending money collected from the raiyats on the cities which are already the favourite concern of the Government where lakhs and lakhs have been spent on costly buildings. The Municipality or any philanthropists in the cities should take up the work or the Municipality may raise loans, and provide for the housing of the poor. Millowners should provide for their labourers.

MR. D. VENKATESAIYA.—SIR, I rise to oppose this motion, on other grounds as well. As the second resolution moved by Mr. Shama Rao is just now accepted, it is likely that a committee will be formed and entrusted with the solution of the problem of housing the poor. If that is so, there is no necessity for considering the resolution moved by Mr. Abbas Khan.

RAO SAHEB, CHENNAIYA.—SIR, the question raised by the mover of the proposition to provide houses for the poor and middle classes is a very important one and needs the urgent attention of all concerned. I agree with the remarks made by Mr. Abdur Rahmon that this matter ought to receive more attention from the Municipal and other authorities than it has hitherto done. Sites have been put up to auction without reservation for the benefit of the poorer classes. These latter have thus been left without the means of providing themselves with ordinary dwelling houses. I have repeatedly brought this matter forward in my budget speeches and suggested that Government should provide means for housing the poor in different parts of the country. The question, however, is how this can be done. I do not myself think that the Municipality should undertake the task. I would rather leave it to societies formed on co-operative lines, *i.e.*, co-operative building societies, to undertake this work and suggest that Government should help the movement with cheap sites and cheap money. I may be permitted in this connection to quote an order passed by the Bombay Government, printed in the Mysore Blue Book Journal, for the information of this House.

"Assistance to Co-operative Societies.....ordinary interest will be paid to such advance at the rate of 6 per cent.... ....."

To this I would add that such societies be granted sites at cheap rates. I believe the question is engaging the attention of all civilized countries and large sums of money are being allotted for this purpose. I hope the Government of His Highness the Maharaja of Mysore will come to the relief of these poor people in a similar way.

MR. C. S. BALASUNDARAM IYER.—SIR, with your permission, I wish to make a few remarks on this subject. The resolution moved is no doubt a very attractive one. I do not suppose that any person who has any idea of the sad conditions under which the bulk of the people pass their existence, will fail to sympathise with a resolution that purports to bring into operation some scheme to ameliorate the condition of the poor people. In that aspect it is no doubt very attractive; but if we examine it a little closely, I fear that the scheme put forward will be found to be extremely impracticable.

The whole question of housing the poor is very complex and it has been agitating the public mind not only here, but throughout the whole world. Analysing its factors, it seems to me that the question resolves itself chiefly into two parts—the first is one of finding the money at a suitable rate of interest and the other of building houses as cheaply and as durably as possible. Mr. Abbas Khan in his proposition contemplates that, taking the poor at his definition, *viz.*, those with an income of Rs. 20 to 30, a house could be got for them to live in at a cost of Rs. 1,000, exclusive of site. I am extremely doubtful whether it would be within

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practical politics to build houses within that limit of cost under present conditions. Even if it is possible to build a suitable house within that cost, how is the man to purchase it on the hire-purchase system?" I have had a few calculations made some time ago and according to them, even if the money is available at 3 per cent, the tenant will have to pay a rent of a little under Rs. 10 a month for ten years, if he is to buy it at the end of the period. If the period is spread over a longer interval say 20 to 30 years, no doubt the rent will be slightly more favourable. But it has to be borne in mind that only the question of rent is considered in the calculation and no provision is made for Municipal taxes, and maintenance charges year after year. In this view, it is difficult to see how it would be possible for a poor man to be supplied with a house at a cost of Rs. 1,000 on the hire-purchase system so as to be within his means of purchase at the end of a reasonable period. I think it would be extremely difficult for him to become the owner of the house after paying all these various charges. Moreover, in large cities like Bangalore, the population is more or less shifting and it will be rather a rarity to find the same family living in the same house for a very long period; say for a generation or more, as in rural parts.

In regard to provision of funds for buildings, I do not think that Government can find any very large sum of money at anything like 3 per cent. As Mr. Abbas Khan himself confessed, even philanthropists and business men have given up the idea as hopeless as a business proposition. Suppose 5,000 houses are required to house the poor, it will take 40 to 50 years for the Government or the Municipality to build with a capital of 40 to 50 lakhs of rupees, even at the rate of a hundred houses per year. I do not know if it would be possible to finance the scheme of this magnitude at anything like 3 per cent.

Another factor has to be considered in large cities. There is one outstanding feature in regard to land and that is, lands get an inordinately enhanced value due to causes beyond the control of the people. Sites which probably were obtained for 50 rupees would be worth 500 or Rs. 1,000 some years afterwards. This is due to the general progress of the city and it is this likelihood of a high unearned increment that tempts the capitalist and the speculator. It seems to me that the Municipality would be acting wisely if, instead of selling the sites in the city outright, they lease them for a period of 50 or 100 years, so that at the end of that period, the enhanced value would revert for the benefit of the general community instead of benefiting solely some lucky capitalists. In any housing scheme, this feature ought to be borne in mind and whatever houses are built, the sites should be leased to the buyers for a sufficiently long period of years. The period should be such as would for all practical purposes serve the needs of the family and at the end of the period, the Municipality would get back the land with all its unearned increment. In this manner, the land would return in a way whatever loss the Municipality might have incurred on the site value and on the capital cost on buildings thereon. I understand that this system is followed in municipal towns elsewhere in European countries and it would be well if our Municipality would bear this in mind.

DEWAN.—It is 99 years lease in Bombay.

MR. BALASUNDARAM IYER.—If a similar thing is done here, the Municipality would have its land back at the end of the period and they can make very good use of it for the benefit of the people.

As regards co-operative housing, it is no doubt a feasible scheme but in that case also some of the difficulties remain the same. The society may own the houses, leasing them to the members for the time being. In the case of rural houses where families live for generations in the same place, a scheme of building under which, the man buys up the house and site after a period extending to 30 or 40 years might be possible. There, the unearned increment is not much and the family living there would take a pride in owning the house. The crux of the matter, however, in the present case is whether money can be made available at 3 per cent.

The engineering question is also a very important one. It is all very easy to say that a house should be built for Rs. 1,000. Will it be durable and can it give accommodation enough? It requires a good deal of thought and deliberation and skill to prepare suitable designs, specifications, etc. The task of the engineer would be easy if he has unlimited money at his disposal. But much greater ingenuity is

required in designing a building suitable and durable with a very small amount available for the purpose. It seems to me, that all these factors should be taken into consideration in preparing any such scheme. The scheme as now put forward is crude and impracticable. If the Municipality is really desirous of pushing it on, it must appoint a committee of financial and technical experts to go thoroughly into the question and prepare a workable scheme for being put into practice.

DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.—SIR, the subject is one which has my full sympathy, myself having been connected with the Municipality for the past seven years and the question has been engaging the attention of the Municipality time and again. It is a very large question, the question of the housing of the poor. I do not think that any serious attempt has been made by the Municipality or even by Government to tackle the problem in the way that it should be. It is not a thing that could be taken up by the Municipality alone. It is not the rural areas that are affected by this problem, but town areas. In large cities like Bangalore and Mysore, we want house accommodation for the labouring classes and also for those immediately above them, *viz.*, the lower middle classes with limited incomes whose numbers are legion. For instance, clerks, artizans and people of that kind find it exceedingly difficult to find house accommodation in Bangalore. There are also people coming from outside for whom accommodation has to be found. They come and engage themselves in particular occupations in the city and the existing accommodation is divided and sub-divided until it becomes well nigh impossible for a small clerk on Rs. 20, for instance, to get more than one or two rooms for his occupation even at a very high rent. One of the solutions appears to me to be the provision of the means of cheap transport so that houses can be built on the outskirts of the city and the people living therein may easily transact business in the city and go back without much inconvenience. I think the provision of tramways will do much to relieve congestion in the city. The poor and middle classes should be able to live just near enough to the city. That will surely relieve congestion to a large extent. I believe Government have under their consideration the immediate construction of tramways and this ought to go a long way in the solution of the housing problem.

DEWAN.—I do not think that will be a sure remedy. Compare Bombay where there are tramways and yet there is considerable congestion.

MR. PUTTANNA CHETTY.—Bombay is an island and space is necessarily limited. But here, there is plenty of land all round the city and thousands of houses can be built if only a suitable scheme is made out as suggested by my friend Mr. Balasundaram Iyer. The details of the scheme require to be worked out by a strong Committee appointed not by the Municipality but by Government with the aid of their technical advisers and prominent citizens who are conversant with the subject. When a practical scheme is worked out which would cost not one or two lakhs but perhaps 20 lakhs, houses will have to be built on a well considered plan.

It has been said that the extensions of the Bangalore City did not relieve congestion. I cannot imagine what should have been the state of the city if there had been no extensions. But the very nature of the accommodation available is such that it is not intended for the housing of the poor. It is also said that the New Extension that is now being formed to the west of the Lal-Bagh does not provide for housing the poor. It was never intended to do that. The acquisition of the land alone, about 120 acres cost 2 lakhs of rupees and the laying out of roads, drains, sewerage, water-supply, lighting, etc., cost another 3 or 4 lakhs. The whole cost would be thus about 6 lakhs and all that cost was obtained by the sale of the sites to the public. The complaint that there was reckless bidding is unfounded and is circulated from mouth to mouth without sufficient knowledge of the details. This is a self-supporting extension. The cost of laying out the extension, *viz.*, 6 lakhs should not form any part of the taxes obtained from the public but should come from the sale of sites. As the lands were sold at their proper market value there is no room for subsequent speculation. When selling the sites, we bind the purchasers to build upon them within a specified time and even take mutchalikas from them. All that has been said therefore, about gambling in sites in the new extension, is founded upon a misapprehension and a complete ignorance of the facts of the case. We have realized just enough money to make the extension a *fait accompli* and nothing more. But the problem of housing the poor is quite a different one and requires to be tackled in quite a

different manner not by the Municipality but by Government with the aid of the Municipality. I would therefore strongly recommend Government to take up the question seriously and make it an accomplished fact within a short time.

In this view, I heartily support the proposition.

MR. P. G. D'SOUZA.—SIR, I am very much interested in this proposition, and so I wish to say a few words in this connection.

The question of providing housing accommodation may be considered from three points of view, *viz.*,

(i) Provision of housing accommodation for persons employed by large industrial concerns such as factories, by the Municipalities, by Government and other employers of labour on a large scale.

(ii) Housing accommodation for labourers that are not regularly employed in any single concern and

(iii) Housing of the middle classes.

As regards the well-to-do classes, no special facilities are required as they are able to provide for their own comfort and convenience, but care has to be taken to see that they do not monopolise large areas, and render it more difficult for the poorer classes to get accommodation. As regards housing of labourers employed by large concerns at present, the duty of the employers providing housing accommodation is not properly recognised. Some steps should be taken to enforce this obligation, and facilities may be given to them to accommodate the labour force by providing suitable sites which may be granted subject to proper conditions. I am aware of a certain mill in Bangalore which is willing to spend a large amount of money for housing its employees if it gets a suitable site. Some of the funds they could have utilised for the purpose, I notice, have been devoted to the issue of new shares. The Municipal Council also should set a good example by building model houses for its employees. It may also be necessary for Government to give special facilities to the non-gazetted subordinates to obtain houses in addition to granting loans for building purposes. In my opinion the whole question should be looked at entirely from the point of view of general welfare and efficiency. Ill-ventilated houses mean ill-health and less of efficiency at work. The amount of loss caused to the State by the low vitality of its labourers living in overcrowded localities is simply incalculable. The question of housing accommodation is therefore one of the most urgent importance. The present system of giving out sites is also partly responsible for the difficulty that people experience in getting housing accommodation. The well-to-do classes have houses with large compounds. These reduce the area available for building new houses. Moreover, by merely keeping such large compounds they get the full advantages of all schemes for development the Municipality carries on. In other countries a greater part of the developmental value is taken over by the Municipalities concerned who have the power to assess this value up to a limit of 75 per cent in some cases, a provision being made therefor in the Town Planning Bill. Recently as has been pointed out by some of the previous speakers a new extension was formed, but the sites were sold at a price which rendered it practically impossible for any poor man to buy it. I am therefore in sympathy with Mr. Balasundaram Iyer's proposal that no lands for house building purposes should be given on a free-hold tenure and the period should be limited from 50 to 100 years. I also beg to support Mr. Abdur Rahmon's suggestions that persons who own compounds beyond a certain extent should be taxed. There are various other ways in which house building can be encouraged such as the establishment of Co-operative Societies, Insurance Companies, etc. A very bold policy is needed and a proper scheme framed. Otherwise, this is likely to become a very serious problem in the future.

MR. M. A. NARAYANA IYENGAR.—SIR, the matter has been sufficiently discussed, but I rise to urge, with your permission, one or two facts in this connection. The housing problem is a big problem which concerns the whole State. It deserves to be considered in all its aspects by the Government and I would urge the necessity for laying down a comprehensive scheme of the Policy of Government in this matter. The Government in every civilized country has always held that it is its duty to see that its slums are kept clean, bad houses demolished, and that the houses in which people live are safe and sound. It has provided for this duty being carried out by Municipalities and Local Boards. It seems necessary to extend

this principle by making it incumbent upon these institutions to see that their poor are properly housed.

The next point I should like to urge is the degree of support that these Local Bodies may have from the Central Government in the matter of housing the poor. It seems to me that in Mysore there are two or three easy directions in which something can be done. Timber is a State monopoly. I do not see why it should not be possible for Government to give timber at cost price or say at about 25 % less than the market price for very poor houses. It has been estimated that in a house which costs about Rs. 1,000, Rs. 250 worth of timber is used; and cheap timber would mean a valuable aid to house-building. I do not suppose that by that means the Forest revenue will suffer much; on the other hand the State will have been more than amply repaid in the physique and capacity of the inhabitants to live a more healthy and strenuous life.

Similarly, supposing it is found possible that the Municipalities build a few houses from year to year and spend a few lakhs of rupees on housing the poor, it is just likely that they will have to incur some losses in the transaction. The Government may share some proportion of the loss incurred, as an incentive to house-building, and in Great Britain there is a law to this effect.

Building Co-operative Societies are among the best organisations for all classes of people to get money, materials or labour sufficiently cheap for building a few hundred houses in any locality. We hear that the Basavangudi Extension Society has lent Rs. 50,000 and built about 40 houses. While individuals have to pay 12% on their loans in the open market, a Co-operative Society can lend at 8 per cent. Even this is excessive to the poor. To provide about one-half of the required capital at about 3 or 4 per cent would not be a bad thing for any Municipality to undertake. Some such practical assistance in the rate of interest should also be a point for the consideration of Government when they lay down a policy on the subject.

I have only one more remark to make. Whatever is done in this matter should extend to the whole of the State. The rules that will be framed should have under their operation places like Shimoga, Tumkur, Hassan. I can bear testimony to what Mr. Matthan did in Shimoga for instance, where he got the Municipality to sanction building 50 houses with a borrowed capital of Rs. 15,000. Actually 13 houses were built at a cost of Rs. 8,000 intended to be given over to clerks, traders and men of small means on the hire-purchase system. But the demand was so great that while I was Deputy Commissioner I was able to sell them all for about Rs. 800 each. In the same way, the Municipality have launched upon building another 30 houses there. The houses occupy an area of 30 × 30 ft. and are designed to be built within 400 rupees each. They will serve as ordinary dwellings for the poorer classes of people and will be handed over to them on the hire-purchase system if necessary, or even sold outright to them. Later on, with the same money, further houses may be built.

With regard to my contention that the Government would be justified in certain special cases in granting money cheaply to the house-builders, I would instance what has been done in the Mysore City Improvement Trust Board. About 400 persons have been given loans of an aggregate sum of Rs. 70,000 at 3 % in order to rebuild their houses. The Trust Board have done it with the assistance of Government. Taking all this into consideration, I think that there is a great need for housing the poor and for defining the policy which the Government will adopt in the matter.

DEWAN.—The attention of the Members is invited to Rule 16 of the Rules for the discussion of resolutions, that discussion on a resolution shall be limited to the subject of the resolution.

MR. A. R. BANERJI.—The proposal is to build 100 houses in the Bangalore City.

MR. MAHOMED ABBAS KHAN.—SIR, there seems to be some misconception of facts on the part of some of my honorable friends, particularly Messrs. Subbiah and Abdur Rahmon, in regard to the resolution moved by me. The money which is to be spent on the construction of buildings is only meant to be a loan to be given at a small rate of interest. The argument that raiyats' money is spent for the civic population is not tenable. Cities are ornaments and a source of pride to the State as a whole unlike Tarikere and other places to which Mr. Abdur Rahmon referred.

DEWAN.—Not a source of revenue?

MR. ABBAS KHAN.—A source of revenue as well.

They are the centres of activities of all kinds. Rural areas depend on cities for their business, just as the whole human system depends on the heart for blood circulation and nourishment. And as the heart, therefore, is to be kept strong, cities that nourish rural areas must also be healthy, beautiful and convenient for the discharge of their various important functions.

MR. A. R. BANERJI, C.I.E.—But rural areas feed cities.

MR. ABBAS KHAN.—Cities are a source of revenue through various channels. It is not correct to say that they are not contributors to the State revenues. What, therefore, is now wanted is a loan and not outright expenditure. Further, it should be the duty of a Government to alleviate suffering wherever it is found, whether in cities or in villages; and the Government cannot shake off this responsibility by shifting the question and asking the municipalities and other local bodies to see to the amelioration of the condition of the poor and unfortunate people.

As regards the remarks made by Mr. Balasundaram Iyer, he admits the necessity for the construction of houses for the poor, but thinks that according to the present proposal they will not be able to pay heavy instalments. According to his estimate, the capital money spent on such houses must be made payable, exclusive of interest, in a course of ten years, and the monthly instalment would then be Rs. 10 or so. I should think that if the period is extended to something like 15 years, the monthly instalment payable will be reduced to Rs. 5 or 6. This will be within the means of ordinary men who will manage to go in for houses of the kind.

Then as regards the sale of sites, Sir, the sales were conducted under the orders of Government and the sale proceeds went to Government because the land belonged to it. But here are some honorable members who remark that it was all gambling and that the Municipality made profits out of it. Certainly it is not. This has been lucidly explained by Dewan Bahadur Puttanna Chetty.

And then, Sir, it was remarked by Mr. Balasundaram Iyer that a sum of Rs. 1,000 may not be sufficient for the construction of houses for the poor. This, of course, is subject to variation and in the resolution itself nothing is said as to the amount that is to be spent for the purpose.

MR. C. S. BALASUNDARAM IYER.—I took it from your speech.

MR. ABBAS KHAN.—If a thousand rupees will not be sufficient, another five hundred may be spent.

MR. C. S. BALASUNDARAM IYER.—But that will increase the rent to Rs. 15 a month, which the poor cannot pay.

MR. ABBAS KHAN.—The Municipality and the other capitalists have not attempted to give relief to this unfortunate class of people. It is the bounden duty of a modern and enlightened Government as ours to give immediate relief to them. I am glad I have found support and that of a practical shape in the able arguments advanced by Mr. Narayana Iyengar. He has quoted concrete instances in which Government have lent money with which houses have been constructed, and these houses have been sold to the poor who are thereby benefited much in Shimoga. The case of Shimoga would serve as an example. Mr. Narayana Iyengar has quoted another instance in which a sum of Rs. 75,000 seems to have been lent by the Trust Board to a number of persons. The Trust Board is only an agency of Government. The Government have lent the money for the construction of houses for the poor in the City of Mysore where no practical difficulty of the kind anticipated here was experienced.

RAO BAHADUR M. C. RANGA IYENGAR.—But Mysore City has got its own difficulties.

MR. ABBAS KHAN.—If there were a representative of the poor here he would have convinced the honourable members of the pitiable condition of the poor.

DEWAN.—It is not complimentary to the members of the Council here.

MR. ABBAS KHAN.—With due regard to the elected members here, I say that they have absolutely no idea. They have had neither the occasion nor the

patience to go into the heart of the City and visit the slums to find out what inconvenience and privation and difficulties the human creatures are subject to. Hundreds, we can even say thousands, are coming to Bangalore and domiciling themselves here and this is due also to the fact that the number of mills is increasing and as a consequence the number of mill-hands is also increasing day by day. Even if the Municipality is culpable, is it not the duty of the Government to give shelter to these people?

DEWAN.—Then, can you point out the duty of the Municipality?

MR. ABBAS KHAN.—The Municipality is only an agency to carry out instructions of the Government. And now Government is not asked to incur outright expenditure, but only a loan to be recouped in easy instalments in the course of 15 to 20 years.

Therefore, I appeal to all the members of this Council to accept this resolution, and you, Sir, particularly, to give a practical shape to the policy of Government in this respect.

MR. A. R. BANERJI.—You have not referred in the resolution to the loan question. Perhaps you amplify the resolution now.

MR. ABBAS KHAN.—With your permission, Sir, I am quite prepared to amend the resolution so that the other details which require to be worked out may be included. I now urge the acceptance of this resolution so that I may be able to convey this information to the thousands of poor people living in the city of Bangalore to whom this will be a red letter day.

MR. P. RAGHAVENDRA RAO.—The mover of this resolution may know that the matter is under correspondence with the Municipality. Power is also meant to be given to Municipalities to grant advances to build houses.

MR. ABBAS KHAN.—May I take it, Sir, that it is an assurance that the Government will be pleased to view this question with sympathy.

MR. RAGHAVENDRA RAO.—It is too early to make any definite announcement on the question. Some information has been called for from the Municipal Council, and after it is received we may say anything definite.

MR. ABBAS KHAN.—Am I to call for a division on the resolution or shall I take it as an assurance of the sympathy of Government? I am prepared to sustain a defeat in the division. It will only reflect upon the Honorable members if they do not view the question with sympathy.

Mr. C. R. REDDY.—This remark ought to be withdrawn.

MR. ABBAS KHAN.—I do.

DEWAN BAHADUR K. P. PUTTANNA CHETTY, C. I. E.—This is an earnest of good to come. We may rely on the assurance given by the Honorable the Second Member. The matter is said to be under correspondence between the Municipality and the Government.

MR. ABBAS KHAN.—If no early decision is made I must have permission to renew this resolution. On this condition I beg to withdraw it.

10. The Mysore Income Tax Bill.

MR. M. N. KRISHNA RAO.—Sir, I beg to move that the Income Tax Bill be read in Council. The motion for leave to introduce the Bill was passed on the 25th March 1919 and the Bill itself was published in the Gazette on 3rd April 1919. At the sitting of the Council on 12th May, 1919, it was proposed to take up the next stage of the Bill under Rule 33 by reading it in Council. Before, however, this motion was submitted to the Council it was proposed by one of the non-official members that the further consideration of the Bill might be adjourned till the result of examination of the financial position of the State was announced and the motion for adjournment was accepted.

A memorandum, containing a detailed review of the finances in the ten years ending with the last and a forecast for the quinquennium commencing with the current year was published in September last and I may invite attention to the broad features of the position disclosed by this examination. The forecast of the standards of revenue and expenditure has been made as carefully as the many and changing factors that

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influence them permit and according to it the total revenues are estimated at Rs. 293 lakhs, while the demands upon them aggregate Rs. 309 lakhs resulting in a deficit of about 16 lakhs. The estimate of annual growth of revenue and of expenditure also shews a deficiency of about half a lakh. In some respects, the position has altered since the forecast was published. There has been a further shrinkage in the rupee equivalent of our sterling revenues. At the time the forecast was made, the rate of exchange was 1sh. 7 10d. the rupee and it is now above 2sh. I think it will be well if I explain how the high rate of exchange affects us adversely and to what extent. Three of our important items of revenue are received in sterling :- (1) royalty on gold produced by the Kolar Mines, (2) price of electric power supplied to the same Mines, and, (3) proceeds of sale of Sandal Oil in Europe and America. Half the royalty is being received in India since May last, but the revenue being in gold, we lose on this item, whether we receive it in India or in England, as the value of gold has gone down considerably in comparison with silver. The total average annual revenue from these sources is about £400,000 which sum at the old rate of 1sh. 4d. the rupee was fetching Rs. 60 lakhs. The prevailing unstable conditions of exchange render it difficult to form any accurate estimate of the rupee equivalent of our sterling revenues. We may, however, form a correct forecast with reference to the new relation between the rupee and gold proposed by the Indian Currency Committee. Two of the principal recommendations of this Committee are the following, (1) that the rupee should have a fixed exchange value and that such value should be expressed in terms of gold at the rate of one rupee for 11·30016 grains of fine gold, that is, one-tenth of the gold contents of a sovereign, and, (2) that the sovereign which is now rated by law at Rs. 15 should be made legal tender in India at the revised ratio of Rs. 10 to one sovereign. In accordance with these recommendations which have been accepted by the Secretary of State, the new ratio has already been given effect to so far as external exchange is concerned. It had been decided to adopt the same ratio for internal circulation as well. With a view, however, to prevent loss to holders of sovereigns and also in view of the prevailing commercial value of gold which is above the proposed Indian Mint par of one sovereign for Rs. 10, it has been decided to maintain for internal circulation the present ratio of Rs. 15 for one sovereign as a temporary measure. The periodical sales of gold by the Government of India are reducing the premium on gold and it is only a question of time as to when the way will be made clear for altering the statutory rate for internal circulation also from Rs. 15 to Rs. 10 Those who get their income in gold or sterling and have to convert it into rupees will, according to the new rate, lose one-third of their revenue. The problem is also complicated by the existing divergence between the pound sterling and the sovereign and even if we overlook this additional disturbing factor, the loss involved by the decrease in the rupee value of a sovereign from Rs. 15 to Rs. 10 is permanent and for our revenues of £400,000 we shall receive only Rs. 40 lakhs instead of Rs. 60 lakhs.

The high rate of exchange, no doubt, enables us to effect a saving on our sterling payments but this gain is comparatively small. The chief item of sterling expenditure is the interest to be paid at 4 per cent per annum on our Railway Loan of £1,200,000. At 2 sh. per rupee we have to pay Rs. 4,80,000 instead of Rs. 7,20,000 at 1 sh. 4 d. and the gain on this item is about 2½ lakhs. The saving accruing to the revenue account on other items which are mostly purchases of materials may be taken at about 1½ lakhs. The total gain is about Rs. 4 lakhs and the net loss involved by the high rate of exchange is about Rs. 16 lakhs. Of this loss, about Rs. 13 lakhs have already been taken into account in the forecast and the balance of Rs. 3 lakhs represents the further deterioration in our revenue position. The course of revenue in the current year indicates that some improvement over the anticipation formed in the forecast may be expected under Railways, Stamps and Excise and the aggregate increase from these heads may be estimated at Rs. 5 lakhs. The net result of the alterations to be made in the forecast is accordingly an improvement of 2 lakhs and this reduces the deficit from Rs. 16 lakhs to Rs. 14 lakhs.

Another cause which has contributed to render the position worse is the rise in wages and prices. The most recent and authoritative pronouncement on the probable course of prices is by the Indian Currency Committee who are of opinion that prices will generally remain at a high level for a considerable time and that any return to lower levels will be gradual. Government are the employers of labour on a large scale and they have also to purchase considerable quantities of materials for various

purposes of administration, and the increase in the cost of labour and materials necessarily adds to the expenditure to be incurred by them. The low-paid subordinates and menials in service have been severely hit by the high level of prices and the demand for affording adequate relief to them has grown insistent. Some relief is now being given in the form of grain and war allowances and it is already costing the Government about Rs. 12 lakhs per annum. When the Budget Estimates for this year were framed, it was not found possible to meet this charge from the current revenues and it was accordingly proposed to provide for it from the Famine Reserve. To draw upon the Famine Reserve for this purpose is hardly right and means must, therefore, be found to meet this charge from the annual revenues. The increasing cost of living has rendered the measure of relief now afforded to the low-paid staffs insufficient and compliance with even a part of their request for improving their salaries will involve additional expenditure of several lakhs of rupees.

The deficiency of 14 lakhs according to the forecast and the alterations to be made in it is exclusive of the expenditure required for giving reasonable wages to the low-paid subordinates and menials and even taking the present level of this expenditure, the total deficit will be increased to 26 lakhs. Extension of medical relief, expansion of elementary education and greater attention to sanitation are some of the measures about the need and urgency of which there is no difference of opinion; but the introduction of further instalments of these beneficent measures requires funds. The gap between our resources and the existing standard of demands upon them is already as large as about Rs. 26 lakhs and the continuance of the policy of advancing the material and moral interests of the people will require more and more funds and widen still more the gap between the available revenues and the claims to be met from them. In view of this condition of our finances, the need for raising additional revenues is imperative. I need not dwell upon the considerations on which it is proposed to tax incomes as a partial solution of the problem of finding funds as they have been so ably explained by my predecessor Mr. Chakravarti, who had charge of the Bill in its previous stages. The deficit is so large and the need for some of the ameliorative measures so urgent that it is not only necessary to levy an income tax but also increase the revenue by improving the existing sources and if possible by tapping new sources besides effecting whatever retrenchments are feasible. With these remarks, I beg to commend the motion for acceptance.

MR. C. R. REDDY.—Sir, in rising to second this motion the financial side of which has been so convincingly dealt with by my honorable friend Mr. Krishna Rao, I would like to draw the attention of the House to a great change that has come over the situation, as it affects the prospects of this Bill since last the question was discussed here. On that occasion two arguments were advanced, equity and that of necessity. In regard to the equity or the need on general grounds of making the classes pay which had hitherto escaped practically the burden of State taxation, there was hardly any difference of opinion. But honorable members were not quite agreed as to whether these taxation proposals were warranted by the financial condition. I am afraid the forebodings of Mr. Chakravarti have been more than amply fulfilled by what has transpired within these 12 months. The necessity is not merely a matter of mathematical demonstration but it is acknowledged even by the man in the street who, perhaps, does not understand much mathematics. This change is reflected also, if I might make a personal reference, by the opinion expressed earlier in the day by Dewan Bahadur Puttanna Chetty who, certainly, was not an enthusiastic supporter of the income tax proposal when it was first brought forward. He shakes his head in the negative, but, however, I might at least point out that he was not exactly enthusiastic over the proposals and he lent the weight of his undoubted authority to the motion which resulted in the postponement of the consideration of this question. Earlier in the day he expressed himself as being now a thorough convert. And I am sure, like all converts he would show more zeal than the original members.

I would like also to mention that, apart even from the difficulty caused by the exchange, the normal condition of the State itself has changed, so that additional sources of revenue have become absolutely necessary. We have a big development programme; and not the least remarkable feature both of the deliberations of the Representative Assembly and of this body has been the insistent demand for more reforms which would cost more money. Even at to-day's meeting we have had to listen to various resolutions which if brought into operation would cost the State

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either temporarily or permanently a large amount of money. We have reached that stage in our history where it is not possible to carry on development work with the old resources and the reserves so far accumulated. But rather in future we will have to adjust our development programme to the finances we shall be able to raise, so far becoming quite one with the most modern and up-to-date countries. From this point of view it becomes more than ever essential to have certain kinds of taxes which should be easily increased or reduced according to our necessities, and the income-tax has been regarded as one of the best suited from this point of view as something which is elastic and which at a pinch may be increased so as to yield a larger revenue. In regard to the development programme, I do not suppose there has been any difference of opinion, as regards the need for a large, drastic, remodelling of our educational system and for providing greater facilities to the countryside in the way of sanitation, medical and veterinary aid, and other rural needs, which have not been attended to the requisite extent up till now. All this costs money, and it is not a mere chance, I think it is something more than chance, which caused the initiative in regard to this tax to be taken up by the Representative Assembly. Honorable members are aware how this question was first mooted in the Representative Assembly, and how it has received the enthusiastic support of the majority of that body and practically of all the members, irrespective of other differences, who represent the rural interests, who felt that the professional people and the citizens dwelling in Bangalore, Mysore and other large centres, who had certainly received what they thought more than their adequate share of the attention of Government, should also begin to contribute at least some quota to the general revenues. This measure has had its origin in the deliberations of the Representative Assembly, and, as pointed out by our Dewan Bahadur, the Representative Assembly is the mother of all the Assemblies in the State. And I do hope that the relation between the Representative Assembly and this one would be like the relation between mother and daughter and not like that between mother-in-law and daughter-in-law. It has also been said that we here ought to act as mandatories of the Representative Assembly, (I am only improving on a phrase uttered earlier in the day by my Honorable friend the Third Member of Council) as otherwise there may come a time when there will be a serious conflict between these two deliberative bodies, and no responsible person could view lightly the possibility of a serious conflict between these two Houses. There is no doubt that the Representative Assembly, as far as the question of income tax is concerned, has been practically absolutely of one mind and very insistent. Earlier in the day, the Dewan Saheb remarked that our attitude on this question will be the acid test of our capacity for Self-Government; and I do hope, therefore, that this Council will without the slightest hesitation vote for this measure which is required chiefly for purposes of educational development and for providing the funds necessary for giving the rural parts the facilities in the way of their moral and material progress that they have been clamouring for all these years. I do hope also that honorable members will not, as I feared from a certain remark of my friend Mr. Chennaiya, have any doubt as to how this money would be spent. My honorable friend the Dewan Bahadur wanted to know what exactly the educational scheme was going to be before he would make up his mind in regard to the Education Cess. I have no doubt that Government and the Department would do their best to provide the State with a kind of educational organization which would be in the closest possible conformity with the lines already laid down and published. Such being the case and seeing also that, as it were, the educational bait was employed in the Representative Assembly to land the income-tax fish, I do trust that honorable members will not have the slightest hesitation regarding the need for expanding our resources and also regarding the manner in which it would be utilized, and will vote for this proposal and enable Government to carry on the very big programme of reconstruction regarding which their policy has already been announced in clear, unmistakable terms.

MR. VIJAYA DEVA.—SIR, in support of this motion, I wish to say a few words. The speech that we have just heard from the Financial Secretary has certainly removed any lingering fear that we had in regard to the income-tax. If I mistake not, Sir, the Financial Secretary has told us that the Government are now in a position to consider the possibilities of retrenchment and Mr. Reddy, in support of the Financial Secretary has told us in unmistakable terms that the income derived from this tax is meant to be devoted to education.

MR. REDDY.—No, no. I did not commit myself to this statement, nor am I competent to make it.

MR. VIJAYA DEVA.—I regret the mistake. This Income-tax Bill has been before the public for the last one year or so, and I am sure the Government having had its mandate from the Representative Assembly can very well go on with it boldly. I am sure all the non-official members of this Council will whole-heartedly support this Bill as it has the sanction from the Representative Assembly which is truly representative of the people of the country. Apart from the mandate, it is an equitable measure as the learned Inspector-General of Education has so eloquently explained. Our State has all along been supported by the rural classes. The cost of the machinery of Government has been met by the poor ryots. We may rightly ask what is contributed by the people in the towns for the benefits they receive in the shape of hospitals, colleges, schools, etc.? What do they contribute for enjoying all these luxuries? We are to-day in a position where all the cost of the machinery of Government is borne by only one class of people. The lawyer-class to which I myself belong, the traders, the contractors, and ever so many others like Marwaris are not paying one single pie towards this machinery of Government. Is it fair and equitable? I am sure every one in this House will say that it is not equitable that one class alone should bear all this burden. Viewing it from that standpoint, we must support the Bill. Secondly, there is the mandate of the Representative Assembly as the voice of the people. I understand that the Bill was put before the Representative Assembly and if I mistake not, there was also a suggestion made by Government that most of the funds derived from this source would be spent on education. The Educational Memorandum is a measure which the Government have taken upon themselves to push through and the Representative Assembly have, with one voice, said that the Memorandum should be carried out. The suggestion to carry out the Memorandum out of the funds derived from the income tax is a very good one and should influence us in giving our support to the Bill.

There are some criticisms made in the Press against this measure. The arguments advanced against the passing of this measure are that there are no such things as great industries in this country, and that therefore the income to be got from them is very little; that the lawyer classes in Mysore are not receiving any income compared with that in British India; that the officers of Government also have to pay their quota but they will press for the increase of pay; and that the lawyer classes are not receiving any State support just as the ryot population and that therefore the lawyers are not bound to pay anything.

We may discuss some of these arguments briefly. It is a fact that we get most of the money for running the machinery of Government from the ryots. With this money, courts are established and maintained. It is in these courts that the lawyers transact their business and make their money. Are the lawyers paying anything for the benefits they derive from the establishment of the courts? Is it then fair that they should escape payment while others pay? As regards the trading classes, there are some industries and Government are offering facilities for the promotion of industries. The traders should therefore pay for these benefits. But it is no argument to say that because there are no great industries, the Bill should not be passed. Whoever receives benefits from Government must pay for those benefits given at the expense of the general tax-payer. In regard to officials, it is just possible that they will clamour for more pay. But the Government will take care of this aspect. Because they would ask for more pay, it is no argument to exempt them from paying any tax.

On the principle that there has already been a mandate from the representatives of the people, it behoves Government to go on with the Bill and we must give our full support for the measure.

I may make an humble suggestion. Some of us may have the fear that the income derived from this tax may be spent otherwise than on education. I request that the income derived from this source should be spent exclusively on the Educational Memorandum which we all want to see carried into effect without loss of time. I would also think that no unnecessary staff should be employed to carry out the provisions of the Bill.

With these remarks, I heartily support the motion.

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MR. BASAVAPPA.—Sir, with your kind permission, I beg to make a few observations on the Bill now under discussion.

The idea of the imposition of income-tax has been before the public for the last eight years in some form or other, having been discussed at the meetings of the Mysore Economic Conference, Representative Assembly and this Council. On examining the literature on the subject, I find that all aspects of the case for and against have been thoroughly discussed and all arguments urged against the introduction of the measure have been satisfactorily met in the comprehensive speech delivered by Dewan Bahadur J. S. Chakravarti, the able and learned financier who occupied the responsible position of the financial adviser to the Government till very recently. I was carefully watching the progress of this Bill and the effect produced on the minds of the public by the interesting discussions carried on in this council; and I can assure you, Sir, that the general public have been convinced of the necessity for the introduction of such a measure in view of the growing needs of our progressive Government.

At the suggestions from time to time of the non-official members of this body and of the members of the Representative Assembly, several wholesome measures for the benefit of the public in all departments of its activity, have been adopted by our benign Government, involving heavy expenditure particularly in the field of education. The imposition of this new taxation appears to have originated with a view to ear-mark the income arising therefrom for educational purposes. The primary and secondary education of our country has yet to develop itself considerably to sufficiently reach the rural parts especially the Malnad tracts. The Educational Memorandum issued by the Government at the instance of our energetic and popular Inspector-General of Education, Mr. C. R. Reddy, has shortly to be taken up for the practical solution of the problem. I, therefore, pray, that the Government will be pleased to give us some assurance that the income derived from this measure will be utilized as far as possible for primary and secondary education only.

Apart from these and many other growing needs which call for additional expenditure on the part of our Government, these are days of great economic stress perplexing the most eminent statesmen all over the world. The food situation is growing worse, dislocating the already disturbed conditions of the country and threatening to disorganise the very fabric of society. I wish to take this opportunity to request the Government to carefully examine the question and to adopt prompt measures to ease the situation and relieve the anxiety of the people. This means that Government cannot rest satisfied with their present resources of income.

Considering the fact that the brunt of taxation has hitherto been borne by the raiyat population, it is but fair that other classes should cheerfully come forward to take their share of the burden. The new impost does not touch the poor who are undoubtedly the victims of the general economic distress that is prevailing in the country. It is only a fortunate few among the merchants, lawyers, and public servants and Banks and Joint Stock Companies that will be called upon to pay a small quota towards the expenses of the Government in return for the benefits they enjoy under good administration. The trade of our State has practically gone out of the hands of the indigenous trader who is fast reducing himself to the position of a clerk or a servant under the foreign capitalists who are virtually enjoying perfect immunity from taxation. It is but fair that we should make them contribute something out of the enormous income which goes out of our State.

I think a good deal has already been said about the equalising tendency of the imposition of income-tax and no convincing arguments seem to have been advanced to disprove it. Even the strongest opponent of this measure has to admit that this taxation is equitable. I do not think that there is any use in trying to postpone the passing of this enactment. It is much better to frankly appreciate the sound arguments urged in favour of the Bill than to raise all plausible theories against it. I appeal to my friends to rise to the occasion, to take a broader outlook of the question, and to come forward to make some sacrifice in the interest of the country and thereby give practical proof of their high sense of patriotism and self-denial.

A word of explanation seems to be necessary lest some of my friends should misunderstand me for my supporting the measure. It may perhaps be thought by some that I have not got much to lose in so doing, being an agriculturist and therefore protected under the exemptions provided in the measure. I wish to point out

that I represent a community who are mostly merchants and traders, and who are therefore likely to be benefited by the rejection of this Bill.

Before concluding, I earnestly appeal to the Government with all the language at my command, that if the Bill is passed and becomes law, it will be put into operation in such a way as to cause no annoyance or worry to those whom it affects. The secrecy of their income is felt as a valuable asset by the merchant class and even by lawyers. I hope they will not be placed at the mercy of unscrupulous and corrupt officials. I am sure and earnestly pray that the Government will be pleased to frame suitable rules in the practical working of its details to safeguard the interests of the tax-payer and to impose a strict discipline on the officials concerned to enforce the burden with moderation, tact and sympathy.

MR. M. SUBBIAH.—SIR, the President in his opening remarks stated that the Memorandum on Education is under the active consideration of Government and that the proceeds of the Education Cess would be spent for educational purposes only. In this connection, I may be permitted to bring to the notice of the President that last year when the question of the levy of the income tax was moved in the Representative Assembly, the Dewan-President gave out a promise that the proceeds of the tax would be earmarked for education, and it was only on this assurance that the majority of the members voted for the imposition of the tax. The Dewan further assured the members that the tax would be resorted to in case a need for it was definitely forthcoming after a careful scrutiny of the financial position of the State.

To-day my honorable friend, the Financial Secretary, has explained to us very lucidly the causes that have contributed to the shrinkage of the revenues of the State and has thereby made out a case for the imposition of the tax for meeting the deficit. But I should have been glad if he had also stated along with it in what directions he would propose retrenchment to effect savings in the growing expenditure of the State. The likelihood of a deficit was foreshadowed a year ago, and yet no steps seem to have been taken to keep expenses within bounds. A large sum of money has been voted for expenditure and a number of new appointments made, for instance the recently appointed eight Assistant Commissioners, without consulting the Representative Assembly, the Legislative Council or the Finance Committee. May I respectfully point out that when Government seeks our help to vote for fresh taxation, whether it is not desirable that they should consult the people's representatives for spending money also?

I shall be very glad to vote for the levy of the income tax if Government would stand by their pledge to earmark the proceeds for spreading education among the masses and are prepared to effect savings by cutting down inordinate expenditure. But in view of the serious state of financial affairs revealed by the Honorable Mover who has not omitted to refer to the effecting of possible retrenchments, I feel inclined to vote in favour of the levy of the income tax in the hope that Government would find it possible to set apart the amount realised by it for education.

MR. B. V. RAMASWAMI CHETTY.—SIR, from an equitable point of view, all the subjects of the State who are able to contribute their share towards the expenses of the administration must do so. No class of people should be exempted from bearing this burden. We have only to see whether all the classes who ought to bear the burden are doing so now. What is the practice elsewhere in British India and the Western countries in regard to this matter? If we compare these countries with Mysore, we see that it is only in Mysore that all the classes do not pay taxes. Why should here alone people raise their voice against the introduction of the Bill? Merchants to which class I belong, and lawyers to which class also I belong must bear their portion of the burden and I do not want to shut my eyes to the necessity of these people paying. The merchants at present do not contribute anything to the general revenues and so also the lawyers are not contributing. Why should agriculturists alone be made to pay? This aspect of the question has to be considered. The Bill gives a limit up to which no tax is payable. Thus poorer people, be they merchants or lawyers coming under that limit, will not be affected by the Bill.

Some Hon'ble members have suggested that unless the Government gives an assurance that the whole of the proceeds of this tax is spent for education, they

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cannot support the Bill. I think this is a matter of detail and ought properly to be left to the discretion of Government. Of course, an assurance has been, in a way, given by the Government, although I am not sure whether it is by the Ruler of the State. It may be that the Dewan who presided at the Representative Assembly has given some sort of assurance. In any case, it is our duty to leave this matter to the decision of Government and whenever they feel hampered by reason of the insufficiency of the ordinary revenue to meet certain expenditure on general administration, they must have the discretion to increase their revenue and the present is one of the new sources of revenue available for running the administration; and it is not right that we should stubbornly refuse our support to the Bill because this revenue cannot be earmarked for education. When the levy is otherwise equitable, we ought to support it. I am not for giving a conditional support to the Bill. I have therefore great pleasure in supporting the motion.

MR. VENKATESAIYA.—SIR, I am convinced that the Bill is justified on the ground of financial necessity. But I am not convinced that the Bill is justified on the ground of financial equity, which appears to be a shifting ground in this council. In the earlier part of the day, it was understood that the Education Cess was inevitable even on land revenue. In the Proceedings of the previous meeting held during March last year, we find it stated that this Bill was proposed in order to relieve the burden on land revenue.

Now that the Education Cess is likely to be imposed and Primary Education is likely to be handed over to the District Boards and other Local Boards, the equity of ear-marking the Income tax for education disappears. This Bill should not be made a provincial Bill if the tax were to be ear-marked for education. For equity requires that the District Boards alone shall have power to levy Income tax too; and it does not seem to be the desire of all members here that the entire burden of education should be transferred to the District Boards. It is therefore necessary that this Bill should be assented to unconditionally. I have got very great pleasure in supporting the Bill. I find there is no time for discussion of details. It is over 6 P. M; we will take another opportunity to discuss details.

RAO BAHADUR M. SHAMA RAO.—SIR, I beg to support the motion, and and in doing so I have only a very few words to say. I think it is too late to discuss equity of the tax now. The Income tax has been in existence in almost all the civilised countries of the world and if it has not been in existence in Mysore so far, let us congratulate ourselves that we have been fortunate till now. The question for consideration now is not the equity of the tax but its necessity. There is great need for more funds at this time. Our development programme to which Mr. Reddy referred and the remarks made by Mr. Krishna Rao have very clearly indicated that more money is absolutely necessary if we have to make any progress at all. Hitherto the land revenue was always considered to be the one source on which more burdens could be thrown. I can only say that several of the Honourable Members here have raised a protest against extra burdens being thrown on land revenue and I quite sympathise with the protest. We must find the required money from other sources and I can see no objection to tapping those sources which have hitherto remained virgin as it were. The official classes have not paid anything hitherto nor the trading classes. Of course the tax involves somewhat of an inquisitorial inquiry and it may not be pleasing to give the information required by the tax-collector nor to fill up the forms given by him, still we have to contribute our quota to the public revenues if we have to progress along with others.

Then with regard to the question of ear-marking the amount for education, I am not in favour of doing so. It is so easy for Government to reduce elsewhere and ear-mark it here. I believe that the Educational Budget Estimate already stands at about 30 to 35 lakhs and I do not see there is any use in asking Government to ear-mark a thing. We may well leave it to the good sense of the Government. What matters it to us whether the extra expenditure comes from the head 'Income tax' or 'Land tax' or 'Excise tax' or any other tax, as long as Government makes the grants? All the expenditure including that on education is met from the same common coffers of Government and considering the proposed Educational programme, there is not the slightest fear of the Government being ever able to limit the expenditure to what it is at present. With these remarks I beg to support the motion.

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MR. M. RAMACHANDRA RAO—SIR, this important subject has been discussed at great length at a session of this Council held in March 1919. The opinion in favour of the introduction of the tax has not been unanimous; and I am afraid it will continue to be so.

The people who earn taxable incomes reside mostly in cities and towns. Government from time to time spend large sums of money on cities and towns for purposes of Education, Sanitation, Water-supply and other improvements of various kinds. It is usually complained that this help from Government is given at the expense of the rural population who contribute most towards the public revenues. There is no doubt good ground for complaints of this kind. For the help thus given by Government there is no adequate contribution from the people of the cities and towns. The people of taxable incomes may be classified under three heads:—

(1) Merchants, traders, business men and men owning house property.
(2) Practitioners, Legal and Medical.
(3) Government servants.

In the first of these classes are included not only local men but also people who have come to the State from outside for purposes of trade or business. In the case of the local men there will generally be some contribution from them to Government in one form or other. But in the case of outside people the majority are not making any such contribution and hence there is much reason in asking that they should be made to give a little out of their income towards the revenues of the State. They enjoy all the advantages provided at the cost of Government and it would be inequitable to give those advantages to them without making them pay something in return for the good of the public. During the recent War, enormous profits have been made by merchants trading within the State who are both local and foreign. There are also people engaged in industries within the State who have been similarly prospering. The levy of an Income tax will not seriously affect this class of citizens.

Coming to the second and third class of citizens I may say that the economic strain on them has been unusually severe for the past two or three years. It is not necessary to give reasons for the present condition of affairs as they are well known to the members of this House. The introduction of the Income tax will to an appreciable extent affect these classes of citizens. It may be that they are willing to bear their share of the burden so far as this tax is concerned, but the present is not the time when they can be expected to welcome the imposition of the tax wholeheartedly. I would have suggested the exemption of these classes of citizens from the operation of the Income Tax Regulation for some period at least, but I refrain from doing so in the hope that the present economic situation will improve in a short time.

In recent years the needs of the Government have grown enormous and the demands on Government for funds for public purposes are getting heavier and heavier. However much the imposition of the tax may affect the local citizens individually just at present, there does not appear to be any justification to oppose the introduction of the Bill.

With these few words I beg to express my approval of the motion that the Bill be read in Council.

DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.—SIR, I am so glad to find that there has been a chorus of approval with regard to Income tax, which in the very nature of things is considered an obnoxious measure. Almost at the first meeting of the Economic Conference held under the direction of His Highness the Maharaja some 10 years ago, this subject was brought up and I think I stood sponsor to its passage through the Conference. Thus I have been connected with this measure from the beginning and I am glad to find that a great change has come over public opinion in this interval and that member after member has now stood up and supported the measure which fact must be a matter of very great satisfaction to Government. It is rather late in the day to say anything against the imposition of an Income tax. In other countries, they are thinking of taxing capital and here we are discussing whether it is equitable or necessary to levy the Income tax. Look at the C. & M. Station or anywhere else and I do not see any place where Income tax is not levied. It is a tax as Mr. Reddy has said, which can

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ed to the varying financial needs of the State to be increased or decreased to circumstances.

ething has been said about ear-marking the proceeds of the tax to educa- think this matter may be left entirely to the wise discretion of the Govern- We simply say that the tax is equitable and too long deferred already. It time of strain just now but this state of things is general and Government n exception to it. It is therefore right that the public should cheerfully e measure. I am glad to see that my prophecy uttered earlier in the day gh fulfilled.

BAHADUR M. C. RANGA IYENGAR.—SIR, notwithstanding the lateness our, I wish to say a few words. This Council has presented a very ctacle. All the members who are liable to be taxed are expressing their illingness to be taxed. The normal attitude of subjects is that they are be taxed. But now Government has to be congratulated upon the fact ons who are most liable to be taxed directly, Government officers, lawyers, s, businessmen, all these join, as my friend Mr. Puttanna Chetty put it, s and are anxious to be taxed. This state of things is attributable to the idence which the public have in the Government of H. H. the Maharaja. very well that the money collected will be usefully spent, that they will for the benefit of the people themselves. Therefore it is that members say ndition should be attached as to what should be done with the money We have so much confidence in the Government. The questions re- the administration of the Bill when it is passed, such as what should be at rules should be laid down for the guidance of officers, are matters con- th the details of the working of the Regulation. These details will neces- considered by a Select Committee. So far as the principle of the Bill is I also join my hon'ble friends in supporting the Bill.

ABBAS KHAN.—SIR, there is great force and justification in asking that eds of this taxation should be ear-marked for education. The reason is e Representative Assembly a mandate was given on the clear understand- the tax will be exclusively utilized for educational purposes. On that oc- rrence was particularly made to this ear-marking and a pledge was given rnment. The members therefore expect from the Government an assurance whole of the Income tax would be utilized for education. I do not quite h Mr. Shama Rao that if the Government want to give money to the they have several ways of making the allotment. In this case, it is a word and must be kept. On the promise given which the Government ought to, we are prepared to give a unanimous vote in favour of the Bill. I think e Honourable members here were not in the Representative Assembly. who were members of that body at the time, may remember what trans- n the question was discussed. The Honourable mover has also referred romise.

K. CHANDY.—SIR, at this late hour I shall only say a word or two. So the question of ear-marking is concerned, if my memory serves me right, I riginal author or one of the joint authors of the idea of ear-marking the x for Primary Education. I beg leave, therefore, on this occasion to dis- uggestion so far as I am concerned, and that for a very good reason. At when that suggestion was made, the income and expenditure were fairly ed; but, on the other hand, Primary Education was capable of very great nt. Therefore I thought that if the Income tax was imposed, the whole ght to be ear-marked for Primary Education. But since that time much run under the bridge. The income is now much short of the estimated e; and at the same time, Government have very greatly increased the Primary Education. If I understand the future aright, Government bly be spending on Primary and Secondary Education three times what ng to get from this tax, in addition to the expenditure that was being at the time that the proposal was made. If the Council insists on still ing the Income tax for education,' and if Government accept that sugges- rant for education will be much less than what it is going to be. As we getting more money for education than is obtainable from the Income ns to me, that at present there is no need to insist on ear-marking it for

education. Hence it is that I beg leave to disown the suggestion, so far as I am concerned.

MR. ABBAS KHAN.—It was a declaration of policy by Government and not by individual officers of Government. The Dewan gave us to understand it in the Assembly as a declaration of Government policy. That is our justification to count upon Government to make a renewal of that promise.

MR. M. A. NARAYANA IYENGAR.—SIR, the mover of the proposition did not make it clear as to what income we expect from these two taxes. I beg to state that the Income tax is estimated to bring in not more than 8 to 10 lakhs now. And the Education Cess will bring in not more than four lakhs if it is on land revenue only, which is itself about Rs. 110 lakhs or if it is on all revenues it will be about 8 lakhs of rupees. I believe that the total amount that will thus be brought into the coffers of the State will at the most be 18 lakhs of rupees. Our budgetted expenditure on Education has increased already to more than 35 lakhs, and the Educational Memorandum asks us to increase it to 60 lakhs of rupees. Under these circumstances, we need not fear that the money we are now raising by means of these taxations will not be utilised for Education. It is certainly going into Education a great way. But there is also this question that we are already in a deficit by 26 lakhs through exchange and food conditions. Whatever that may be this Council may rest assured that the prospects of the realizations from the Income tax and the Education Cess are not more than 18 lakhs and the whole of that sum and more will go into Education.

MR. M. N. KRISHNA RAO.—SIR, I must first thank the members for the strong support accorded to the motion. Only one or two minor objections have been raised and I shall answer them. Mr. Subbiah has observed that retrenchment should come first and then the Income tax. I think his objection admits of an effective answer. The Finance Committee has been strengthened by the addition of more non-official members and they can suggest measures of retrenchment which are feasible and which do not involve sacrifice of efficiency. Whatever retrenchments are possible can only go to reduce to some extent the existing deficit and not obviate the need for Income tax.

The second point raised was in regard to reserving the proceeds of the tax for purposes of education. Considered as a financial proposition, the arrangement of reservation is not practicable. Expenses of general administration are met from a common fund and the car-marking of particular revenues for particular purposes is not possible. If the members who raise this objection mean that expenditure to the extent of the proceeds of the tax should be incurred on education, I may say that this Council does not need to be assured about the solicitude of Government for spending as much as possible on education. I may quote one or two figures from the Financial Review in support of my statement. Ten years ago, expenditure on education was 10 lakhs while the budget grant for this year is 42 lakhs. Taking even Primary Education, the expenditure was 2½ lakhs ten years ago, and now it is 10 lakhs. The desire of Government to expand education is limited only by the funds that they can make available for the purpose. This assurance ought, I think, to be sufficient to withdraw even the minor qualification with which the measure has been supported by some of the members.

I beg to express my thanks once again for the unanimous support extended to this measure.

MR. A. R. BANERJI, C.I.E.—SIR, from the nature of the debate that has taken place on the Income tax Bill, I do not think that any very lengthy reply is necessary from the Government side. I just wish to refer to one point which has agitated the minds of some of the members, *viz.*, the so-called pledge which our friend Mr. Abbas Khan referred to, regarding the purpose for which the Income tax was to be utilized. On the previous occasion (that is in March last year) when our late Financial Secretary, Mr. Chakravarti, brought this motion, there was a very interesting discussion on the subject and the whole question of the Income tax and the purpose for which it might or might not be utilized was fully gone into. If the members will refer to the printed proceedings, they will find the interesting fact that most of the non-officials gave support to the measure conditionally on the assurance that the Income tax will be utilized for education. Different members expressed themselves in different ways. Some said that it should be utilized for the

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purpose of education, others were for making education free, while yet a few others said that it should be utilized for making Secondary Education free. I may perhaps refer to one or two of these statements to make the position quite clear. Dewan Bahadur Puttanna Chetty said that if the tax is levied at rates less than in British India and ear-marked for education, he would support the levy. Mr. M. Venkatakrishnaiya also said that if the Income tax should be completely ear-marked to make education free, he would support the Bill with all his heart. There was also the other view presented by Rao Saheb Chenniah who said "I am against ear-marking....." I think I have given sufficient indication from the printed proceedings of the last year's debate to show that there was no difference of opinion in regard to the levy of the Income tax itself, but there was some desire on the part of the non-official members to elicit from Government, a substantial assurance that the proceeds of the tax should be devoted for purposes of education. Government do not wish to suggest that no such assurance was given. The printed proceedings are there to show what reply was given by Government at the Representative Assembly. I should like to put before this Council a very important principle regarding general taxation which a State is entitled to resort to for general administrative needs. This principle has been very eloquently put forward by Mr. Chakravarti during the last debate and I cannot do better than refer to some of his observations. He said.—

"Some members have said that they would agree to Income tax if it is ear-marked for education. It is objectionable in State finance to ear-mark any kind of revenue for any particular class of expenditure and it creates difficulty in accounting. But I can assure those members who want the Income tax to be earmarked for education and who have referred to Sir M. Visvesvaraya's assurance to that effect, that in point of fact not only will the Income tax be ear-marked for education but much more than the yield of the Income tax will be required in the near future for the cause of spreading enlightenment."

There, you will find the Financial Secretary's suggestion for ear-marking, which in a manner fully satisfies the pledge, *viz.*, that the additional income that the State is going to get by the taxation will be utilized for purposes of education. One or two reasons which led this Council to defer the consideration of this subject last May, when the whole aspect of the case was fully considered and a general agreement reached, was that the financial necessity was not then proved; and the very non-official members who asked for the postponement of the consideration of the Bill pleaded that when once the financial necessity was established, they would with one accord support the measure. It must be very gratifying to find that there is a general agreement and whole-hearted support in regard to this Bill in this Council, and it is also pleasing to see that many of the non-official members have not urged this particular point, *viz.*, that their support is conditional on the promise of ear-marking the proceeds of the tax to education. It is also particularly gratifying to find that our friend Mr. Puttanna Chetty whose support was conditional on the former occasion, has now given that support unconditionally.

From the Government point of view, there is no going back on the assurance strictly speaking. The Education Memorandum issued by Government will convince everyone that the Government is earnest about fulfilling their policy in regard to education reforms for which considerable additional expenditure is needed and it stands to reason that one of the most recent and newly imposed taxes should necessarily go to meet those urgent demands which are the outcome of a broad and expanding policy of education. So, I think, in this view, the members of this Council who are still harping on that assurance will be good enough to take the actual position into consideration and be assured, in fact, that the Government will not in any way withdraw from the pledge given by them as regards increased expenditure on education. Education has already been made free up to the Middle Grade and the commitments of the future as indicated in the Memorandum are sure to be far above any sum that can be obtained from Income tax. The Government only want the whole-hearted support of the non-official members to this measure which will really strengthen their hands in carrying out their progressive policy for the further development of education in the State. I do not wish to say anything more at this stage except that the details of this Bill must necessarily be gone into thoroughly later and in the meantime those of the members who have still got a

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lingering doubt in their minds about the pledge will, I hope, give now, after the explanation I have made, their unqualified support to the motion.

DEWAN.—I have nothing more to add to the very eloquent terms in which Mr. Banerji has put the situation before you. At the time the Bill was introduced, he happened to preside and he has fully explained the situation to you. I have only to put the motion to vote now, that the Bill be read in Council.

The motion was accordingly put to vote and carried unanimously.

MR. M. N. KRISHNA RAO.—SIR, I beg to move that the Bill be referred to a Select Committee consisting of the following members, *viz*:—

Mr. Mir Hamza Husein.
" C. S. Balasundaram Iyer.
Dewan Bahadur K. P. Puttanna Chetty.
Rao Bahadur M. Shama Rao.
Rao Bahadur M. C. Ranga Iyengar.
Mr. K. Shankaranarayana Rao.
" K. Chandy.
" H. Venkataramaiya.
" H. G. Basavappa.
" M. Subbiah.
" B. Abdur Rahmon and myself.

MR. C. R. REDDY.—SIR, I beg to second the motion.

The motion was put to vote and carried.

The meeting was then adjourned *sine die*.

By Order,

P. MAHADEVAYYA,
Secretary, Mysore Legislative Council.